



MINNESOTA STATE COLLEGES AND UNIVERSITIES PERSONNEL PLAN FOR ADMINISTRATORS

7/1/~~2019~~ 2021 – 6/30/~~2021~~ 2023

As approved by the Board of Trustees on ~~November 20, 2019~~



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1.00 APPLICATION

This Plan applies to all unclassified administrators of the Minnesota State Colleges and Universities as defined in Section 1.02 of this Plan, who are not covered under the terms of a collective bargaining agreement.

1.01 NON-DISCRIMINATION

The provisions of this Plan shall be applied equally without discrimination as to race, sex, creed, religion, color, national origin, age, disability, marital status, status with regard to public assistance, sexual orientation, gender identity, gender expression, or membership or activity in a local commission as defined by law. The Board is committed in accordance with its policies to ensuring an employment environment free of harassment and violence.

1.02 DEFINITIONS

Subd. 1 Minnesota State Colleges and Universities Administrators

"Administrators" are those unclassified employees in positions which are defined as managerial by the Board of Trustee, as provided in Minnesota Statute §179A.10, Subd. 1. Administrators are staff who create or formulate, influence, or manage policy or direct the college/university system. Administrators make high level operating decisions in the college/university system or delegate such decisions to others.

Administrators include the chancellor, presidents, vice presidents/deans, vice chancellors, associate vice chancellors, directors in the system office, associate/assistant vice presidents/deans, deans/directors (academic/instructional programs), associate/assistant deans/directors (academic/instructional programs) and other titles where the position has the same responsibilities. Additionally, administrators may include employees who:

- (a) report directly to the chancellor, or a president, vice president, vice chancellor, associate vice chancellor or director in the system office and who meet the test for "managerial employee;" or
- (b) meet the test for a "managerial employee," and are responsible for academic research, academic public service responsibilities including institutional relations, alumni and foundation activities; academic program administration or academic program outreach, including curriculum development and implementation, instruction, or direction of a program having direct contact with students about financial aids, admissions and registration, placement, campus student life and development, or related educational programs and services.

For purposes of this Plan, administrator positions are those assigned to salary ranges 1 to 16 as well as the presidents, vice chancellors and chancellor. Assignment of positions to salary ranges shall be based upon assigned duties and responsibilities.

Subd. 2 Types of Appointments

- Continuing - employed in a position without a specified end date.
- Acting - assigned to fill a position when the incumbent is on leave or is otherwise unable to serve; or in the event of a presidential vacancy, assigned by the chancellor to serve as president pending the start of an interim, continuing or contractual appointment by the Board of Trustees.

- Temporary - employed in a position with a specified start and end date. Temporary appointments generally do not exceed twelve (12) months.
- Interim - assigned to temporarily fill a vacant position pending the completion of a search or reorganization of all or part of the college/university or system office, or under similar circumstances.
- Contractual - an appointment pursuant to Section 1.03 Subd. 1 (g) or Subd. 2 (g). These appointments have certain terms and conditions specified in the contract and are subject to renewal by the Board of Trustees.

Subd. 3 Supervisory Authority

For purposes of this Plan, supervisory authority for administrators in the system office and college/university presidents resides with the chancellor. Supervisory authority for campus administrators resides with the president. When used in this Plan, the phrase "chancellor/president" shall mean the chancellor for administrators in the system office and presidents, and the president for campus administrators.

1.03 APPOINTMENTS/TERMS OF APPOINTMENTS

Subd. 1 Chancellor

- (a) The chancellor is selected by and serves at the pleasure of the Board, which sets the terms and conditions of employment.
- (b) The Board sets the annual salary for the chancellor within the approved range established in Section 1.13, Subd. 3 of this Plan upon initial appointment.
- (c) The chancellor may hold academic rank and may retain faculty tenure or unlimited faculty status in a university/college, if applicable and approved by the Board, consistent with the provisions and procedures of the university/college.
- (d) Upon completion of service as chancellor, the Board may appoint the chancellor as a “Distinguished Senior Fellow for Academic Affairs.” The Board shall determine specific duties and shall set the salary pursuant to Section 1.13, Subd. 3 of this Plan.
- (e) The Board may terminate the chancellor’s employment at any time. However, at the Board’s discretion, upon notice of termination the chancellor may be reassigned up to twelve (12) months. In the event of reassignment, the chancellor must perform the assigned duties until the date of separation from the Minnesota State Colleges and Universities.
- (f) The Board may choose to appoint a chancellor utilizing a continuing, acting, temporary, interim or contractual appointment.
- (g) A contractual appointment must include:
 - 1) Established term lengths not to exceed five (5) years.
 - 2) An annual salary and provision for any increases within the salary range.
 - 3) Provisions related to termination of employment by the Board before expiration of the term of the contract, which may include payments in addition to any benefits earned under Section 1.08 of this Plan. Any such payments may not exceed one (1) year’s salary and may not be made when termination is for just cause.

If the Board so chooses, the contract may include:

- 1) Non-economic provisions.
- 2) Additional remuneration not covered elsewhere in this Plan, which shall not exceed 30% of the base salary established under Section 1.13, Subd. 3 of this Plan. Additional remuneration may include an allowance for housing, travel, communications, or other comparable items for which remuneration is typically provided for similar positions in the public higher education market. This may include compensation above the maximum salary limits established in Section 1.13, Subd. 3. Additional remuneration shall not include any payments for the quality of work performed.

If the Board appoints a chancellor utilizing a contractual agreement as defined in Section 8 1.02, Subd. 2 of this Plan, the Board is not precluded from exercising its power to terminate the chancellor at any time.

Any such contract, modification to the contract, or changes in salary or additional remuneration, must be approved by a majority vote of a quorum of the Board.

Subd. 2 Vice Chancellors and Presidents

- (a) Vice chancellors and presidents shall be appointed and terminated according to policies established by the Board. Vice chancellors and presidents serve at the pleasure of the Board and no provision of this Plan or Board policy shall be construed to alter the at-will nature of an administrator's employment.
- (b) Upon initial appointment, annual salaries shall be set within the applicable range established in Section 1.13, Subd. 4 of this Plan and in accordance with any process established in Board policy.
- (c) A vice chancellor or president may hold academic rank and may retain faculty tenure or unlimited faculty status in a university/college, if applicable and approved by the chancellor and Board, consistent with the provisions and procedures of the university/college.
- (d) Upon completion of service as vice chancellor for academic affairs or president, the Board may appoint the individual as a "Distinguished Senior Fellow for Academic Affairs." The chancellor shall determine the specific duties and shall set the salary pursuant to Section 1.13, Subd. 4 and 5 of this Plan.

- (e) If the continuing appointment of a vice chancellor or president is terminated, the administrator may be reassigned for up to twelve (12) months. Except for cases where a vice chancellor or president's employment is terminated for cause, a minimum of three (3) months written notice of the effective date of termination will be provided to the administrator. In the event of reassignment, the vice chancellor or president must perform the assigned duties until the date of separation from the Minnesota State Colleges and Universities.
- (f) The Board, upon the recommendation of the chancellor, may choose to appoint a vice chancellor or president utilizing a continuing, acting, temporary, interim or contractual appointment.
- (g) A contractual appointment must include:
 - 1) Established term lengths not to exceed five (5) years; however, an initial contract with a vice chancellor or president may not exceed three (3) years.
 - 2) An annual salary and provision for any increases consistent with the Plan.
 - 3) Provisions related to early termination of employment under the contract by the Board, which, for presidents, may include payments in addition to any benefits earned under Section 1.08 of this Plan. Any such payments may not exceed one (1) year's salary and may not be made when termination is for just cause.

If the Board so chooses, the contract may include:

- 4) Non-economic provisions.
- 5) Additional remuneration not covered elsewhere in this Plan, which shall not exceed 30% of the base salary established under Section 1.13, Subd. 4 of this Plan. Additional remuneration may include an allowance for housing, travel, communications, or other comparable items for which remuneration is typically provided for similar positions in the public higher education market. This may include compensation above the maximum salary limits established in Section 1.13, Subd. 4. Additional remuneration shall not include any payments for the quality of work performed.

If the Board appoints a vice chancellor or president utilizing a contractual agreement as defined in Section 1.02, Subd. 2 of this Plan, the Board is not precluded from exercising its power to terminate the vice chancellor or president at any time.

Subd. 3 Administrators in Continuing, Acting, Interim, and Temporary Appointments

- (a) **Employment At Will.** Administrators serve at the pleasure of the chancellor/president and no provision of this Plan shall be construed to alter the at-will nature of an administrator's employment.

Administrators in acting, interim and temporary appointments may be terminated without advance notice at any time, with or without cause.

- (b) **Initial Continuing Appointments.** The chancellor/president may choose to provide written assurance of an initial period of continuing appointment of up to 18 months for an administrator not previously employed within the system. Such initial appointments may be terminated for just cause.
- (c) **Notice Requirements For Involuntary Termination Of Continuing Appointments Due To Shortage of Funds, Reorganization or Other Reasons Not Reflecting On the Administrator.**

Administrators in continuing appointments shall receive a minimum of three (3) months written notice of the effective date of their termination.

The chancellor/president may develop written procedures for the system office/college/university that permits longer minimum notice periods for individual administrators in continuing appointments, not to exceed nine (9) months. The chancellor's/president's procedure on minimum notices and all associated commitments expire at the end of the chancellor's/president's appointment to his/her current position. In the event a chancellor/president leaves office, all continuing appointments that were under his/her control shall be subject to the three (3) month minimum notice requirement until the new chancellor/president adopts a new procedure pursuant to this clause.

Acting and interim chancellors and presidents may not establish procedures regarding minimum notice periods or individual commitments. The vice-chancellor for human resources may establish minimum notice procedures and/or individual notice commitments in such circumstances.

The chancellor/president/vice chancellor for human resources has the authority to reassign a continuing administrator on or after the date the notice of involuntary termination has been issued. The reassigned administrator must perform all assigned duties until the date of separation from the Minnesota State Colleges and Universities. Such reassignment shall not exceed nine months unless the chancellor or the chancellor's designee determines that a longer reassignment is warranted.

- (d) **Termination for cause.** The involuntary termination of an administrator's continuing appointment for cause is not subject to the minimum notice requirements of this Plan.
- (e) **Academic Rank and Faculty Tenure or Unlimited Faculty Status.** Consistent with the provisions and procedures of the university/college for making decisions relative to these matters, administrators otherwise qualified may hold academic rank and may retain faculty tenure or unlimited faculty status in the college/university, if applicable and approved by the chancellor or president(s).

Subd. 4 Assignment and Reassignment of Duties

The chancellor/president shall define and redefine the duties of administrators under his/her supervision. The chancellor/president may at any time reassign an administrator to another position within the college/university or system office. Where a reassignment between a college/university and the system office is concerned, the chancellor and the president of the college/university shall consult with each other and the individual prior to such reassignment. Reassignment between colleges/universities must be approved by the presidents of the affected institutions and must be consistent with personnel policies and contractual provisions. Such reassignment does not constitute a vacancy.

Subd. 5 Discipline

In addition to the option of terminating an administrator's appointment, the chancellor/president has the authority to take any other disciplinary actions s/he deems appropriate, including but not limited to a reprimand or suspension with or without pay. As an alternative to a suspension without pay, the chancellor/president may impose a working suspension with pay, and reduce the administrator's vacation leave balance by up to ten days.

Subd. 6 Outside Employment

An administrator may accept concurrent employment outside the Minnesota State Colleges and Universities System only with the prior written approval of the chancellor/president. The chancellor/president shall consider the provisions of Minnesota Statutes 43A.38 when reviewing any request.

1.04 EVALUATION

Subd. 1 Chancellor

- (a) The chancellor shall be evaluated each year.
- (b) Any evaluation report prepared by or for the Board shall be deemed private and made available only to the chancellor and the members of the Board.

Subd. 2 All Other Administrators

All other administrators shall be evaluated each fiscal year and a copy of the evaluation documentation shall be retained in the administrator's personnel file.

1.05 HOLIDAYS

Subd. 1 Observed Holidays

The following days shall be designated as holidays when they occur during an administrator's appointment:

Independence Day
Labor Day
Veteran's Day*
Thanksgiving Day
Day after Thanksgiving*
Christmas Day
New Year's Day
Martin Luther King Day
Presidents' Day*
Memorial Day
Juneteenth

* The chancellor/president may designate an alternate day for the observance of these holidays.

When any of the above holidays falls on a Saturday, the preceding day shall be observed as a holiday. When any of the above holidays falls on a Sunday, the following Monday shall be observed as a holiday.

In order to receive a paid holiday, an eligible administrator must be in payroll status ~~on~~ during the normal work day immediately preceding the holiday and the normal work day immediately following the holiday(s). Part-time administrators shall be paid for the amount s/he would have been paid in the regular course of business had there been no holiday.

Subd. 2 Religious Holidays

When a religious holiday not observed as one of those holidays listed above falls on an administrator's regularly scheduled work day, upon request the administrator shall be entitled to that day off to observe the religious holiday on the terms specified in this subdivision.

Time to observe a religious holiday shall be taken without pay unless the administrator uses accumulated annual leave or, by mutual consent with the college/university/system office, is able to work an equivalent amount of time at some other time during the fiscal year to compensate for the time lost. An administrator shall notify his/her supervisor of his/her intention to observe a religious holiday in advance of the holiday.

1.06 LEAVES OF ABSENCE WITH PAY

Subd. 1 Annual Leave

- (a) **Accrual.** All full-time twelve (12) month administrators shall accrue annual leave with pay at the rates as set forth in Appendix A.

Administrators who are employed less than full-time (normally 10 days per payroll period) shall have their annual leave accrual rate prorated according to the portion of time worked.

In lieu of accruing leave according to Appendix A, administrators employed in an appointment status other than continuing, for less than twelve months, shall be credited with one day of annual leave at the end of each full pay period worked during the appointment, not to exceed 23 days of leave accrual for the appointment.

For purposes of this section and Appendix A, continuous service shall include all continuous state service. Continuous service is broken by any separation from state employment that results in an individual not being employed by any Minnesota State college or university, or state agency, for at least one day. At the discretion of the chancellor/president, a new administrator may be granted length of service credit for any prior employment the chancellor/president determines to be related to employment in the Minnesota State Colleges and Universities. A current administrator may make a written request for such credit for prior related employment at any time, however, the change in accrual rate shall take effect with the first full pay period in the fiscal year the request is approved. The vice-chancellor for human resources may develop written guidance to govern the administration of requests for prior service credit.

When employment in an administrator position in the Minnesota State Colleges and Universities is the initial employment in state service, re-employment after a break in service, or a move from a faculty position, non-temporary, full-time administrators shall be credited with ten (10) days of annual leave. Such credit shall be reduced proportionately as annual leave is accumulated. Administrators employed in an appointment status other than continuing, for less than twelve months, will not receive the initial credit of annual leave as described in this paragraph. Administrators, who separate from their administrative position and who have used more of the ten (10) days than they would have accrued as provided in Appendix A, shall have their last paycheck reduced by the number of days of annual leave taken in excess of that earned.

An administrator who moves without a break in employment between positions in the classified and/or unclassified services, whether within the system or between the system and other state agencies, shall have his/her accumulated leave and length of service transferred. This provision shall also apply to administrators/managers who move from positions in the legislative or judicial branches.

- (b) **Limits on Accrual.** Annual leave may be accumulated to any amount provided that once every twelve months, each administrator's accumulation must be reduced to 34 days. If this is not accomplished prior to the end of the last full pay period in September each year, the administrator's accumulation shall automatically be reduced to 34 days as of that date, and the amount of accumulation over 34 days will transfer to the administrator's sick leave balance [see Subd. 2(b)] below. Saturdays, Sundays and legal holidays will not be counted as days of leave. In the event that the administrator's accumulated balance cannot be reduced to 34 days due to assigned job requirements, the chancellor/president may extend the deadline for up to a maximum of six (6) months. If the 34-day threshold is not met during the extension period, the accumulation shall be reduced and the excess transferred to ~~lapsed administrator's sick leave balance~~ lapsed administrator's sick leave balance; the amount of the reduction shall be the smallest number of days by which the accumulated leave balance exceeded the 34-day threshold during the extension period.
- (c) **Use of Annual Leave.**
- (1) Beyond the ten (10) days credited pursuant to Subd. 1(a) above, administrators may not take annual leave until they have earned the number of days to be taken.
 - (2) Annual leave may only be taken in full day or one-half (1/2) day increments.
 - (3) The administrator must obtain the prior approval of the chancellor/president or their designees for the use of annual leave, unless the administrator is using annual leave to observe a religious holiday. The chancellor and presidents may determine periods of annual leave for themselves at times best suited to their workload.
- (d) **Payment Upon Separation.** Upon separation from state service, or if a change in employment results in the administrator being ineligible to accrue further annual leave, an administrator shall be paid for his/her accrued but unused balance of annual leave not to exceed 34 days.
- (e) **Conversion of Accumulated Annual Leave to a Minnesota State Colleges and Universities Approved 403(b) Account or to the Deferred Compensation (457) Plan Operated by the State Retirement System.** Once in each fiscal year, with the approval of the chancellor/president and based on the availability of funds, an administrator may convert a portion of his/her accumulated annual leave to a 403(b) account approved by the system or the 457 Plan operated by MSRS. Each administrator may convert up to one (1) day of annual leave for each three (3) days of annual leave used in the previous fiscal year, provided that the administrator shall not convert more than seven (7) days per fiscal year.

This provision shall not be used in the pay period which includes the first of July. Contributions to the administrator's 403(b) or 457 account made through the conversion of annual leave days are subject to all of the rules and regulations of the respective program and IRS regulations.

Subd. 2 Sick Leave

All sick leave will accrue on a per pay period basis as follows:

(a) Accrual

- (1) Except as noted in (2) below, 15 days of sick leave shall be credited to all new full-time administrators at the time of their employment to cover possible disability during the first 30 pay periods of employment. Beginning with the 31st pay period of employment, each administrator shall be credited with one-half (1/2) additional day of sick leave for each succeeding pay period of employment completed. Administrators who separate from their administrative position before completing 30 pay periods of employment and who have used more sick leave days than they would have accrued at the rate of one-half (1/2) day for each pay period, shall have their last paycheck reduced by the number of days of sick leave taken in excess of that earned. Administrators who have leave reinstated under Subd. 2(c) below shall, if necessary, have additional sick leave credited to bring the administrator's sick leave balance to 15 days at the time of reappointment.
- (2) Employees accepting an administrator position in the Minnesota State Colleges and Universities under the provisions of Subd. 2 (a)(5) below shall not be credited with days as defined in Subd. 2 (a)(1) above, but shall be credited with any sick leave balance and accrual rates in effect at the time of their appointment in the Minnesota State Colleges and Universities.

- (3) Administrators commencing employment on less than a full-time basis shall be given a pro-rata portion of the 15 day sick leave credit as described in Subd. 2 (a)(1) above. Beginning with the 31st pay period of employment, each part-time administrator will be credited with one-half (1/2) day of sick leave pro-rated by the fraction of time employed for each succeeding pay period of employment.
 - (4) Administrators specifically employed for a limited period of service not to exceed 15 months shall be credited with one-half (1/2) day of sick leave for each pay period of anticipated service rather than 15 days as described above. The amount of sick leave credited for part-time administrators so employed shall be pro-rated by the fraction of time employed.
 - (5) An administrator who moves without a break in employment between positions in the classified and/or unclassified services, whether within a system or between agencies, shall have his/her accumulated leave transferred. This provision shall also apply to employees who move to administrative positions from administrative or non-administrative positions covered by other plans or collective bargaining agreements or from positions in the legislative or judicial branches.
- (b) **Use of Sick Leave.** Sick leave may only be taken in one-half (1/2) day increments. The use of sick leave shall be approved, when appropriate, by the chancellor/president or his/her designee. Administrators may use up to ten (10) days of sick leave for the birth or adoption of the administrator's child. Sick leave shall be granted for absences made necessary; 1) by reason of illness, or disability, including temporary disabilities caused or contributed to by pregnancy, miscarriage, abortion, childbirth, and recovery there from; 2) by exposure to contagious disease which may endanger the individual or the public health; or 3) by illness in the immediate family making it necessary that the administrator be absent from his or her duties.

In the case of childbirth, birth mothers may use sick leave to the extent the birth mother's sick leave balance permits to cover the period of disability related to the birth of a child, but shall not be required to use more than five (5) days of sick leave due to such disability. In the case of absence for illness of members of the immediate family, the term "immediate family" shall be defined to include the spouse, brothers and sisters living in the administrator's household, or children, wards, parent or parents of the spouse. The chancellor/president may extend these provisions to include other residents of the household. Leave taken under the Family Medical Leave Act shall be charged to sick leave as appropriate.

- (c) **Reinstatement.** An administrator who is eligible to accrue sick leave, who is reappointed to a position within the Minnesota State Colleges and Universities within four (4) years from the date of separation in good standing, shall have his or her sick leave balance and bank, if any, restored. However, any administrator being reappointed after receiving severance pay shall have his or her leave restored proportionately by deducting the days or fractions of days which were used in the calculation of the severance payment. This provision shall also apply to administrators who are appointed to an unclassified position in the Minnesota State Colleges and Universities following separation in good standing from positions covered by other plans or collective bargaining agreements or from positions in the legislative or judicial branches, unless the previous accrual rates and maximum accumulations were greater than those provided in this Plan, in which case leave balances and banks shall be restored in amounts equal to what they would have accumulated under this regulation.

Subd. 3 Bereavement Leave

The use of a reasonable period of bereavement leave (not deducted from sick leave), up to five (5) days per occurrence, shall be granted in case of a death in the administrator's immediate family. The term "immediate family" shall include the spouse, parents, parents of the spouse, children, grandchildren, brothers, sisters, grandparents, or wards of the administrator.

The use of sick leave for bereavement purposes shall be granted in case of the death of the following individuals who are not members of the administrator's immediate family: a regular member of the administrator's household, sister-in-law or brother-in-law, a spouse of the administrator's child, and the following relatives of the spouse: children, grandchildren, grandparents or wards.

Subd. 4 Paid Parental Leave

- (a) **Length of Leave.** Paid parental leaves of absence of up to six (6) consecutive weeks shall be granted to eligible administrators who request such leave following the birth or adoption of a child.
- (b) **Eligibility.** Employees are eligible if they meet eligibility criteria for Family and Medical Leave Act ("FMLA") leave, which generally means the employee has been employed by the Employer for twelve (12) months and has worked at least 1,250 hours during the year immediately preceding the leave.
- (c) **Qualifying Event.** Paid parental leave ("PPL") is available to employees who experience the following qualifying events:

- (1) an employee or the employee's spouse/partner gives birth to the employee's child;
 - (2) a child is placed in the employee's home for adoption; or
 - (3) a child is placed in the employee's home to adjudicate parentage in cases of surrogacy when the employee is the intended parent.
- (d) Use. Eligible employees must complete use of PPL within six (6) months of the qualifying event. At the Appointing Authority's discretion, employees may be allowed intermittent or reduced schedule use of leave, which must be completed within twelve (12) months of the qualifying event. PPL not used within the required timeframe shall not be carried over or cashed out.
- (e) Interaction with Other Leaves. Paid parental leave will run concurrently with any unpaid leave(s) that the administrator may be entitled to under other provisions of this Plan or provided by law. Administrators are not eligible to receive other types of paid leave provided by this Agreement for time in which they are receiving PPL.

Subd. 5 Military Leave of Absence

An administrator of the Minnesota State Colleges and Universities who is a member of the state or federal armed services is entitled to leave of absence with pay as defined in Minnesota Statute §192.26.

Subd. 6 Court-Related Leaves of Absence

An administrator in the Minnesota State Colleges and Universities shall be granted a leave of absence with pay for:

- (a) appearance before a court, legislative committee, or other judicial or quasi-judicial body in response to a subpoena or other direction by proper authority for purposes related to the administrator's Minnesota State Colleges and Universities position.
- (b) attendance in court in connection with an administrator's official duty, such attendance including the time required in going to the court and returning to the administrator's place of work.

Subd. 7 Jury Duty Leave

Jury duty leave for time to serve on a jury, provided that when not impaneled for actual service but only on call for service, the administrator shall report to work.

Subd. 8 Voting Time Leave

Voting time leave, in accordance with Minnesota Statute §204C.04 for administrators eligible to vote in any statewide general election or any election to fill a vacancy in the United States Congress, or in the office of state senator or representative, provided that the leave is for a period of time long enough to appear at the administrator's polling place, cast a ballot return to work on the day of the election.

Subd. 9 Emergency Leave

Emergency leave, in the event of a natural or man-made emergency, shall be granted pursuant to Minnesota State Colleges and Universities Board Policy 4.4, Weather/Emergency Closings.

Subd. 10 Leave for Bone Marrow and Organ Donation

An administrator undergoing a medical procedure to donate bone marrow, an organ or a partial organ to another person shall be granted paid leave not to exceed 5 days. If there is a medical determination that the administrator does not qualify as a donor, any paid leave of absence granted to the administrator prior to the medical determination is not forfeited.

Subd. 11 Investigatory Leave

The chancellor/president/vice chancellor for human resources may place an administrator who is the subject of a disciplinary investigation on an investigatory leave with pay.

1.07 LEAVES OF ABSENCE WITHOUT PAY

Subd. 1 Personal Leaves of Absence

The chancellor/president may approve leaves of absence without pay and without employer paid benefits when deemed to be in the best interest of the college/university or system. No regular leave without pay shall extend for a period greater than one (1) year. No administrator shall have more than two (2) consecutive year long leaves without pay without the consent of the chancellor. While on unpaid leave, an administrator shall have the right to continue insurance benefits, to the extent permitted by law at his/her own expense.

Subd. 2 Parental Leaves of Absence

Leave of absence shall be granted to a natural or adoptive parent for a period of up to six months when requested in conjunction with the birth or adoption of the administrator's child. The leave shall commence on the date requested by the administrator but no later than six weeks after the birth or adoption or exhaustion of any paid leave that may be available for the birth or adoption event, whichever comes later; except that, in the case where the child must remain in the hospital longer than the mother, the leave may begin up to six weeks after the child leaves the hospital. Sick leave used with a medical practitioner's statement prior to the birth of the child will not reduce the duration of the leave of absence. Upon request, the chancellor/president may grant extensions of the leave of absence, but in no case shall the leave of absence exceed one year.

Subd. 3 Unpaid Medical Leave

- a. Upon exhaustion of entitlement to sick leave, an administrator may be granted up to one year of unpaid medical leave to for a documented illness or injury that prevents the administrator's return to work.
- b. An administrator may be granted up to one year of unpaid medical leave to provide documented, medically necessary care to an immediate family member as defined in Section 1.06, Subd 2 (b), or an individual, with respect to whom the administrator stood or stands in loco parentis.
- c. An administrator granted unpaid medical leave will have that leave run concurrently with any other form of unpaid leave available to the administrator.
- d. An administrator may request additional unpaid medical leave beyond one year. Such additional leave may be granted by the chancellor/designee.

Subd. 4 Salary Savings Leave of Absence

Upon the request of an administrator, the chancellor/president may approve an unpaid leave of absence for the purpose of reducing salary expenditures. Approved leaves shall be taken in half-day or full day increments. An Administrator taking a leave under this subdivision shall continue to accrue annual leave and sick leave and be eligible for paid holidays and insurance benefits as if actually working during the time of leave. If a leave is more than one full pay period or longer in duration and a holiday occurs during the leave, holiday pay shall be paid following the leave of absence.

Subd. 5 Employment within the System

The chancellor/president may approve an unpaid leave of absence up to one year in duration to facilitate an administrator's acceptance of a different position within the system. Upon written approval of the chancellor/vice chancellor for human resources, such leave may be extended up to one additional year.

Subd. 6 Construction with Other Provisions in the Plan

Nothing in Section 1.07 will be construed to limit the Employer's authority to end an administrator's employment as provided in Section 1.03.

1.08 SEVERANCE

Subd. 1 Severance Pay

Administrators shall receive severance pay upon separation from employment with the System for one of the following reasons:

- (a) retirement at or after age 65;
- (b) death;
- (c) separation following: (1) five (5) years of continuous state employment as a bargaining unit 220 manager/administrator, and/or as an administrator in the Minnesota State Colleges and Universities, or (2) 20 years of continuous state employment;
- (d) retirement following ten (10) years of continuous state employment with immediate entitlement at the time of retirement to receive a retirement benefit under a state retirement program;
- (e) involuntary separation from employment with the System and the State of Minnesota because of a reduction in personnel;
- (f) upon voluntary termination of employment pursuant to the receipt of an incentive provided by law.

Notwithstanding any other provision, severance pay shall not be made to an administrator under this Plan who is involuntarily terminated with cause pursuant to Section 1.03, subd. 3 (a) or (d).

Except as authorized by Subd. 1 (b) and (c)(2) of the Section, an administrator is not eligible for severance pay under the Section if s/he has received a sick-leave based severance payment for any other employment in State service.

Except as otherwise provided in this subdivision severance pay shall be a sum equal to 40% of the administrator's total accumulated but unused sick leave at the time of separation paid at the administrator's final rate of pay, provided that the severance payment shall not exceed the lesser of i) 50% of the annual base salary of the administrator at the time of his/her separation, or ii) 50% of the maximum base salary payable under Section 1.13, Subd. 5 c, range 14.

Administrators employed by the state universities on June 30, 1995, who elected to retain severance pay at 50% of his/her accumulated but unused sick leave balance, not to exceed 125 days times the regular daily rate of pay at the time of separation, shall continue to be eligible for this severance pay provision.

Severance payments shall be paid in cash if the severance payment is being made because of the death of the administrator, or if the gross amount of a severance payment to be paid under this subdivision is less than \$5,000.00. All other severance payments shall be transferred to a Health Care Savings Account established under Minnesota Statutes 352.98.

In the event an administrator who has received severance pay is subsequently reappointed within the Minnesota State Colleges and Universities, future severance pay for that individual shall be computed upon the unused sick leave balance accumulated since the time of reappointment.

Subd. 2 Severance Payments Per Employment Contracts

In addition to severance pay benefits available under Subdivision 1, the terms of a contractual appointment may include severance pay up to six (6) month's salary upon completion of the full term of a contractual appointment which is not renewed.

Subd. 3 Re-employment of Early Retirees

Administrators who have received an early separation incentive from the Minnesota State Colleges and Universities or one of its predecessor systems/institutions may be re-employed by the Minnesota State Colleges and Universities for a temporary, interim or acting appointment, with prior written approval of the chancellor/vice chancellor for human resources/president.

1.09 INSURANCE

Except as otherwise provided below, the insurance benefits provided in the State Managerial Plan are applicable to administrators. A copy of the State Managerial Plan insurance article is attached as Appendix B.

Subd. 1 Eligibility for Participation in the State Employee Group Insurance Program

An administrator employed at least 50% time during a nine (9) month or longer appointment may elect to be covered by the benefits provided for in this Plan.

Subd. 2 Eligibility for State-Paid Benefits

To be eligible for the full employer contribution toward the premiums for health, dental and basic life insurance benefits, an administrator must be employed for at least 75% time during a nine (9) month or longer appointment. To be eligible for a partial employer contribution toward the premiums for health, dental and basic life insurance benefits, an administrator must be employed at least 50% time and less than 75% time during an appointment of nine (9) months or longer.

Subd. 3 Maintaining Eligibility for Employer Contribution During Leaves

An administrator eligible for basic coverage paid by the employer shall have such coverage maintained during the period of a sabbatical leave or leave without pay for educational or other purposes judged by the chancellor to be of benefit to the Minnesota State Colleges and Universities.

Subd. 4 Amount of Employer Contribution

- (a) **Full Employer Contribution for Administrator Insurance Premiums.** For Plan years 2020 and 2021, the employer shall contribute an amount equal to 95% of the employee-only premium of the Minnesota Advantage Health Plan. The employer shall also contribute an amount equal to the lesser of 90% of the employee-only premium of the State Dental Plan, or the actual employee-only premium of the dental plan chosen by the administrator, however, for calendar year 2019, the minimum administrator contribution shall be thirteen (13) dollars and 50 cents per month.

- (b) **Full Contribution for Dependent Health and Dental Insurance.** For Plan years 2020 and 2021, the employer shall contribute an amount equal to 85% of the dependent premium of the Minnesota Advantage Health Plan. For dental coverage the employer contributes an amount equal to the lesser of 50% of the dependent premium for the State Dental Plan, or the actual dependent premium of the dental plan chosen by the administrator.
- (c) **Partial Employer Contributions for Health, Dental and Basic Life Insurance.** Administrators who qualify for a partial employer contribution for health and dental insurance coverage shall, at the administrator's option, receive 75% of the full employer contribution for both employee-only and dependent coverage. These administrators shall receive the full employer contribution for basic life insurance coverage.
- (d) **Contribution for Administrators Involuntarily Terminated Due to Abolition of Position or Reorganization.** An administrator with an employer contribution and who has been employed for at least three (3) years of continuous service shall remain eligible for an employer contribution for up to six (6) months from the date of separation if the position s/he occupies is abolished because of a reduction in force. In no event shall the employer contribution continue beyond the date at which the administrator reaches the age of 65.

1.10 EXPENSE REIMBURSEMENT

Subd. 1 Reimbursement of Expenses Incurred While in Travel Status and Other Business Related Expenses

Except as otherwise provided below, the expense reimbursements for all administrators covered under this Plan are the same as those provided in the State Managerial Plan. A copy of the State Managerial Plan expense reimbursement language is attached as Appendix C.

The State Managerial Plan provides for higher meal reimbursement rates for selected metropolitan areas. These higher rates shall also apply to reimbursable meals obtained within Hennepin and Ramsey counties.

An administrator using their personal motorcycle for business purposes shall be reimbursed at one-half the Federal IRS mileage reimbursement rate for use of a personal automobile, rounded to the nearest cent per mile.

Where anticipated reimbursable travel expenses exceed \$150, the chancellor/president shall advance the administrator the amount of the anticipated expenses upon the administrator's request made a reasonable period of time prior to the travel date. Smaller advances may be made at the discretion of the chancellor/president. If the amount of the advance exceeds the actual expenses, the administrator shall return the excess within two weeks of return from travel. The chancellor/president may issue the administrator an employer-owned credit card in lieu of a travel advance.

Subd. 2 Extended Travel Status in Special Circumstances

An administrator appointed to a position more than 35 miles from the administrator's primary residence may be considered in travel status for up to one year. One or more extensions of up to an additional six (6) months may be granted by the chancellor to administrators in acting or interim positions. Reimbursable expenses for an administrator in extended travel status may include reasonable hotel or motel accommodation, and airfare, if approved in writing by the chancellor or president. The chancellor or the president authorizing extended travel status may establish lower limits on travel expenses than those contained in the State Managerial Plan for the duration of the acting or interim appointment.

Subd. 3 Reimbursement of Expenses for Candidates for Employment

The chancellor/president may reimburse travel expenses for candidates invited to participate in employment interviews. The chancellor/president may also reimburse one additional person accompanying a candidate to the employment interview. In determining to reimburse travel expenses, the chancellor/president shall consider the availability of qualified candidates, the needs of the system or institution, and the availability of funds. Any expenses paid are subject to the provisions of this Plan regarding types and maximum amounts of reimbursement.

[Subdivision 4 moved to Section 1.12]

1.11 RELOCATION EXPENSES

Subd. 1 Eligibility, Limits and Conditions

- (a) **Availability, Approval and Limits.** Administrators may be reimbursed for relocation expenses as indicated below. An administrator must have written approval from the approving authority, as indicated below, on or before the date of hire and prior to incurring any relocation expenses. The approving authority shall establish an overall limit on total relocation reimbursement in writing contemporaneously with the formal offer of employment. Once established, the limit shall not be lowered, provided it is consistent with this Plan. This limit shall not exceed \$50,000 or twenty (20) percent of the initial base salary, whichever is greater. The type of expenses that are reimbursable under this Plan and the total amount of reimbursement may be further limited by the approving authority. The approving authorities are as follows:
- (1) The Board of Trustees for the chancellor
 - (2) The chancellor or vice chancellor for human resources for administrators in the system office and presidents
 - (3) The president or vice chancellor for human resources for campus administrators.
- (b) **Eligibility.** The chancellor/vice chancellor for human resources/president may authorize reimbursement of relocation expenses in the following circumstances:
- (1) the individual being hired is beginning their initial employment as an administrator at a particular college, university or the system office in a continuing, acting, or interim appointment.
 - (2) The individual is being rehired at a college, university or the system office after a break in service with the Minnesota State system of at least one year.
- (c) **Pre-employment Expenses.** After commencing a qualifying appointment and consistent with the prior authorization described in subdivision 1 (a) of this section, administrators may be reimbursed for expenses incurred prior to their first day of employment.

Reimbursement for relocation expenses will be allowed only for expenses incurred prior to and within one (1) year after the date of appointment.

- (d) **No Representation as to Tax Consequences.** Neither the employer nor the approving authority make any representation as to the tax consequences of any expense reimbursement provided under this section. Some of the payments under these provisions may be considered wages by the Internal Revenue Service and as such are subject to income tax withholding.

Subd. 2 Covered Expenses

Reimbursable expenses may include, but are not limited to, the following:

- (a) **Travel Status.** For up to six (6) months, an administrator eligible for relocation expense reimbursement may be considered in travel status and receive expense reimbursement consistent with 1.10 of this Plan and Appendix C.
- (b) **Travel to New Work Location.** Four (4) round trips by the administrator's spouse or other adult living with the administrator and two (2) round trips by the administrator's dependents to the new work location.

Reimbursement for the cost of travel of the administrator's spouse and dependents when moving to the new work location must be otherwise consistent with the State Managerial Plan (Appendix C).

- (c) **Moving Expenses.** The actual cost of moving and packing household goods may be reimbursed. Approval shall be obtained from the president for college/university administrators and the chancellor for administrators in the system office and presidents, prior to making any commitment to a mover to either pack or ship the administrator's household goods. Payment shall be made for moving a house trailer if the trailer is the administrator's domicile.
- (d) **Miscellaneous Expenses.** Documented miscellaneous expenses directly related to the move may be reimbursed to the administrator. These expenses may include, but are not limited to, such items as: fees involved in the purchase of a house in the new location, disconnecting and connecting appliances and/or utilities, the cost of insurance for property damage during the move, the cost of moving vehicles, payment of loan origination fees not to exceed one percent (1%) of mortgage, or other direct costs associated with rental or purchase of another residence. An administrator shall not be reimbursed for improvements to a house or property being sold or purchased.

Neither the State of Minnesota nor the Minnesota State Colleges and Universities shall be responsible for the loss or damage to any administrator's household goods or personal effects.

Subd. 3 Realtor's Fees

The cost of the realtor's fees on the sale or purchase of the administrator's principal residence, but not both, or fees required to break a lease on an administrator's rented domicile may be reimbursed up to six percent (6%) of the selling/purchase price of the principal residence. A signed copy of the settlement statement showing that the employee paid the realtor's fees or other documentation of the amount of realtor's fees must accompany the request for reimbursement.

1.12 CAREER DEVELOPMENT AND TUITION WAIVER

Subd. 1 Courses, Tuition and Fees

- (a) Administrators employed on at least a 75% basis shall be entitled to enroll in courses offered by a college/university in the Minnesota State Colleges and Universities without payment of tuition or fees, except laboratory and special course fees. Such enrollment shall not exceed a total of 27 semester credit hours per fiscal year for any administrator.
- (b) To the extent that the administrator does not exercise the rights above, the administrator's spouse or dependents shall be eligible to take credits in an institution type which is similar to that in which the employee is employed (i.e., if employed in a community, technical or consolidated college, is entitled to tuition waiver in any community, technical or consolidated college; if employed in a state university, is entitled to tuition waiver in any state university), within the limits above, with waiver of tuition only.

The spouse or dependent(s) of an administrator, including Presidents, employed by the system office shall be entitled to enroll, on a space available basis, without payment of tuition as follows:

- (1) Administrators employed by the State University System on June 30, 1995 – in courses offered by a state university.
- (2) Administrators employed by the Community College System or the Technical College Board or a technical college on June 30, 1995 -- in courses offered by a state community, technical or consolidated college.
- (3) Administrators not previously employed in one of the above systems -- shall select one type of institution (college or university) in which to exercise this right. This selection is offered on a one-time only basis and is not subject to change by the administrator.

The chancellor/vice chancellor for human resources may elect to use an alternative method for determining the institution type at which the tuition waiver benefit can be used by administrators employed in the system office. The alternative method shall be the method provided for system office employees in Appendix G, part ~~N~~ M § 7, of the ~~2017-2019~~ 2021-2023 collective bargaining agreement between the State of Minnesota and the Minnesota Association of Professional Employees.

Dependents shall be those persons meeting the Minnesota Management and Budget definition of dependent for health insurance purposes.

The tuition waiver benefit shall not be used for courses that are part of an applied doctorate program.

Subd. 2 Professional Development

The chancellor/president may fund professional development for administrators. This may include attendance at professional meetings, seminars, visits to post-secondary institutions or other relevant activities that will enhance professional knowledge and performance.

Subd. 3 Sabbatical Leave

An administrator is eligible for a sabbatical leave to secure additional education, training, or experience which will better prepare him/her to carry out his/her management responsibilities. A sabbatical leave may be granted for any period up to one (1) year at no pay, partial pay, or full pay. Administrators are not eligible for holiday pay or to accrue or use annual leave and sick leave while on sabbatical leave. Granting of a sabbatical leave is at the discretion of the chancellor. The administrator shall be eligible to retain state-paid insurance benefits for which s/he is otherwise eligible while on sabbatical leave. A sabbatical leave may be granted if all of the following criteria are met:

- (a) the administrator has at least six (6) years of service in a sabbatical eligible position in the Minnesota State Colleges and Universities;
- (b) the administrator has submitted a plan to the president or appropriate vice chancellor or chancellor showing how the leave will serve the purpose described above;
- (c) the president or vice chancellor has recommended approval of the plan to the chancellor;
- (d) the chancellor has granted prior approval of the plan;
- (e) the organization's functions and goals can be carried out during the administrator's absence;
- (f) funds are available for this purpose;
- (g) the administrator agrees, in writing, to return to employment in the system following completion of a paid sabbatical leave for the amount of time specified by the chancellor at the time the leave was approved and agrees to repay the amount of sabbatical compensation if s/he does not return for the agreed upon time; and
- (h) the administrator agrees to prepare and deliver a written report at the end of the sabbatical, which shall be shared with other administrators.

Subd. 4 Student Loan Repayment Stipend

~~After twelve (12) months of continuous service as an administrator, the~~ The chancellor/president/vice chancellor for human resources may authorize payment to an administrator of up to \$2,500 per year as a stipend to assist the administrator in defraying student loan payments ~~in the preceding fiscal year~~. The student loan repayment stipend shall not exceed the total amount of student loan payments made by the administrator ~~in the year~~ for the time period for which the stipend is sought. ~~To be eligible for this stipend, student loan payments must be made with respect to a student loan incurred by the administrator to finance his/her own education.~~ Student loan repayment stipends shall be made ~~to administrators who remain employed with the System as administrators~~ at the end of the fiscal year for student loan payments made in the preceding 12 months, and then only to the extent that campus or system office budgets permit.

To be eligible for this stipend, student loan payments must be made with respect to a student loan incurred by the administrator to finance the administrator's own education. Some of the payments under this subdivision may be considered wages by the Internal Revenue Service and as such are subject to income tax withholding.

1.13 SALARY ADMINISTRATION

Subd. 1 Purpose

The purpose of this policy is to establish salary ranges and to define other salary policies that affect administrators.

Subd. 2 Annual Base Salary

These salary ranges, and annual base salaries set within these ranges, are for the full fiscal year (July 1 - June 30) and shall not be added to or subtracted from to reflect fluctuations in the number of work days (260, 261 or 262) in a given year.

Subd. 3 Chancellor

The Board shall set the salary of the chancellor within the range listed below. The salary range shall be subject to legislative approval pursuant to Minnesota Statute §15A.081, Subd. 7c. The chancellor shall not be eligible for lump-sum performance incentives.

<u><i>FY</i></u>	<u><i>Effective Date</i></u>	<u><i>Minimum</i></u>	<u><i>Maximum</i></u>
—	July 1, 2019	\$277,000	\$400,000
—	July 1, 2020	\$284,000	\$410,000
<u>2022</u>	<u>July 1, 2021</u>	<u>\$291,000</u>	<u>\$420,000</u>
<u>2023</u>	<u>July 1, 2022</u>	<u>\$298,500</u>	<u>\$430,500</u>

Subd. 4 Presidents & Vice Chancellors

- (a) The chancellor shall determine the salary of a president or vice chancellor upon their appointment, and any subsequent salary adjustments pursuant to this section must be within the salary ranges provided in this subdivision. Presidents and vice chancellors shall not be eligible for lump-sum performance incentives.

(b) Salary Ranges for Presidents in FY ~~2020~~ 2022 and ~~2021~~ 2023

Fiscal Year 2020		
	<u>Minimum</u>	<u>Maximum</u>
VI	\$227,792	\$336,335
V	\$164,837	\$326,705
IV	\$161,418	\$317,071
III	\$142,517	\$204,926
II	\$132,609	\$185,822
I	\$118,954	\$175,636

Fiscal Year 2021		
-	<u>Minimum</u>	<u>Maximum</u>
VI	\$233,487	\$344,744
V	\$168,958	\$334,873
IV	\$165,453	\$324,998
III	\$146,080	\$210,049
II	\$135,925	\$190,468
I	\$121,928	\$180,027

Effective July 1, 2021 (FY <u>2022</u>)		
<u>Tier</u>	<u>Minimum</u>	<u>Maximum</u>
<u>VI</u>	<u>\$239,500</u>	<u>\$353,500</u>
<u>V</u>	<u>\$173,000</u>	<u>\$343,000</u>
<u>IV</u>	<u>\$169,500</u>	<u>\$333,000</u>
<u>III</u>	<u>\$149,500</u>	<u>\$215,500</u>
<u>II</u>	<u>\$139,500</u>	<u>\$195,000</u>
<u>I</u>	<u>\$125,000</u>	<u>\$184,500</u>

Effective July 1, 2022 (FY <u>2023</u>)		
<u>Tier</u>	<u>Minimum</u>	<u>Maximum</u>
<u>VI</u>	<u>\$245,500</u>	<u>\$362,500</u>
<u>V</u>	<u>\$177,500</u>	<u>\$351,500</u>
<u>IV</u>	<u>\$173,500</u>	<u>\$341,500</u>
<u>III</u>	<u>\$153,000</u>	<u>\$221,000</u>
<u>II</u>	<u>\$143,000</u>	<u>\$200,000</u>
<u>I</u>	<u>\$128,000</u>	<u>\$189,000</u>

(c) **Salary Range for Vice Chancellors in ~~2020~~ FY 2022 and ~~2021~~ 2023**

<u><i>FY</i></u>	<u><i>Effective Date</i></u>	<u><i>Minimum</i></u>	<u><i>Maximum</i></u>
—	July 1, 2019	\$132,610	\$326,705
—	July 1, 2020	\$135,925	\$334,873
<u>2022</u>	<u>July 1, 2021</u>	<u>\$139,500</u>	<u>\$343,000</u>
<u>2023</u>	<u>July 1, 2022</u>	<u>\$143,000</u>	<u>\$351,500</u>

Subd. 5 All Other Administrators

Entry Appointment. The chancellor/designee shall set salaries for entry appointments of administrators employed in the system office within the salary appropriate salary range. Presidents may make entry appointments at salaries up to and including the designated delegation limit for the salary range. Entry appointments beyond the delegation limit for the salary range must have the prior approval of the chancellor's designee, unless delegation of authority has been granted to the president by the chancellor/designee. Athletic directors and/or assistant athletic directors with assignments that include, among other things, head coaching responsibility for an NCAA Division I sport will have their position assigned to the appropriate salary range and may be paid a salary up to one-third greater than the top of such range.

Change to Continuing Status. An administrator serving in an interim or acting appointment who is awarded the same on a continuing basis may have their salary adjusted as authorized by the Vice Chancellor for Human Resources/designee.

Promotion. An individual promoted to a position assigned by the chancellor's designee to a higher salary range may be granted a salary increase as follows:

- (1) placement below the delegation limit of the new salary range; or
- (2) up to a maximum of ten percent (10%) if the increase would place the administrator above the delegation limit of the new salary range.

The chancellor or designee or president who has been granted delegation of authority may grant larger increases based on the employment conditions that may make such action necessary.

With the exception of administrators who are below the minimum of the new salary range, nothing in the above language should be interpreted as requiring that a salary increase be granted upon promotion.

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Salary Ranges for Fiscal Years ~~2020~~ 2022 and ~~2021~~ 2023

<i>Effective July 1, 2019</i>					
<u>Range</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Delegation Limit</u>	<u>Q3</u>	<u>Maximum</u>
16	\$162,584	\$211,364	\$227,626	\$235,756	\$260,146
15	\$151,241	\$196,619	\$211,743	\$219,308	\$241,995
14	\$140,688	\$182,901	\$196,970	\$204,007	\$225,112
13	\$130,877	\$170,143	\$183,232	\$189,776	\$209,409
12	\$121,745	\$158,271	\$170,447	\$176,534	\$194,797
11	\$113,251	\$147,230	\$158,556	\$164,219	\$181,209
10	\$105,351	\$136,957	\$147,493	\$152,761	\$168,564
9	\$97,998	\$127,401	\$137,201	\$142,103	\$156,805
8	\$91,162	\$118,514	\$127,630	\$132,189	\$145,864
7	\$84,802	\$110,244	\$118,726	\$122,966	\$135,687
6	\$78,886	\$102,554	\$110,444	\$114,388	\$126,222
5	\$73,382	\$95,399	\$102,737	\$106,406	\$117,414
4	\$68,264	\$88,745	\$95,572	\$98,985	\$109,226
3	\$63,499	\$82,550	\$88,901	\$92,078	\$101,602
2	\$59,069	\$76,792	\$82,699	\$85,653	\$94,513
1	\$54,947	\$71,434	\$76,930	\$79,677	\$87,920

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<i>Effective July 1, 2020</i>					
<u>Range</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Delegation Limit</u>	<u>Q3</u>	<u>Maximum</u>
16	\$166,649	\$216,648	\$233,316	\$241,650	\$266,650
15	\$155,022	\$201,534	\$217,037	\$224,791	\$248,045
14	\$144,206	\$187,474	\$201,894	\$209,107	\$230,739
13	\$134,149	\$174,396	\$187,813	\$194,520	\$214,644
12	\$124,789	\$162,228	\$174,708	\$180,947	\$199,667
11	\$116,083	\$150,911	\$162,520	\$168,325	\$185,739
10	\$107,984	\$140,381	\$151,181	\$156,580	\$172,778
9	\$100,448	\$130,586	\$140,631	\$145,655	\$160,725
8	\$93,442	\$121,476	\$130,821	\$135,494	\$149,510
7	\$86,922	\$113,000	\$121,694	\$126,040	\$139,080
6	\$80,858	\$105,118	\$113,205	\$117,248	\$129,377
5	\$75,216	\$97,784	\$105,305	\$109,066	\$120,349
4	\$69,971	\$90,963	\$97,961	\$101,460	\$111,957
3	\$65,086	\$84,614	\$91,124	\$94,380	\$104,142
2	\$60,545	\$78,712	\$84,767	\$87,794	\$96,876
1	\$56,321	\$73,220	\$78,854	\$81,669	\$90,118

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<i>Effective July 1, 2021</i>					
<u>Range</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Delegation Limit</u>	<u>Q3</u>	<u>Maximum</u>
16	\$171,000	\$222,000	\$239,000	\$247,500	\$273,500
15	\$159,000	\$206,500	\$222,500	\$230,500	\$254,000
14	\$148,000	\$192,000	\$207,000	\$214,500	\$236,500
13	\$137,500	\$179,000	\$192,500	\$199,500	\$220,000
12	\$128,000	\$166,500	\$179,000	\$185,500	\$204,500
11	\$119,000	\$154,500	\$166,500	\$172,500	\$190,500
10	\$110,500	\$144,000	\$155,000	\$160,500	\$177,000
9	\$103,000	\$134,000	\$144,000	\$149,500	\$164,500
8	\$96,000	\$124,500	\$134,000	\$139,000	\$153,000
7	\$89,000	\$116,000	\$124,500	\$129,000	\$142,500
6	\$83,000	\$107,500	\$116,000	\$120,000	\$132,500
5	\$77,000	\$100,000	\$108,000	\$112,000	\$123,500
4	\$71,500	\$93,000	\$100,500	\$104,000	\$115,000
3	\$66,500	\$86,500	\$93,500	\$96,500	\$106,500
2	\$62,000	\$80,500	\$87,000	\$90,000	\$99,500
1	\$57,500	\$75,000	\$81,000	\$83,500	\$92,500

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<u>Effective July 1, 2022</u>					
<u>Range</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Delegation Limit</u>	<u>Q3</u>	<u>Maximum</u>
<u>16</u>	<u>\$175,500</u>	<u>\$227,500</u>	<u>\$245,000</u>	<u>\$253,500</u>	<u>\$280,500</u>
<u>15</u>	<u>\$163,000</u>	<u>\$211,500</u>	<u>\$228,000</u>	<u>\$236,500</u>	<u>\$260,500</u>
<u>14</u>	<u>\$151,500</u>	<u>\$197,000</u>	<u>\$212,000</u>	<u>\$220,000</u>	<u>\$242,500</u>
<u>13</u>	<u>\$141,000</u>	<u>\$183,500</u>	<u>\$197,500</u>	<u>\$204,500</u>	<u>\$225,500</u>
<u>12</u>	<u>\$131,000</u>	<u>\$170,500</u>	<u>\$183,500</u>	<u>\$190,000</u>	<u>\$209,500</u>
<u>11</u>	<u>\$122,000</u>	<u>\$158,500</u>	<u>\$170,500</u>	<u>\$177,000</u>	<u>\$195,500</u>
<u>10</u>	<u>\$113,500</u>	<u>\$147,500</u>	<u>\$159,000</u>	<u>\$164,500</u>	<u>\$181,500</u>
<u>9</u>	<u>\$105,500</u>	<u>\$137,500</u>	<u>\$147,500</u>	<u>\$153,000</u>	<u>\$168,500</u>
<u>8</u>	<u>\$98,500</u>	<u>\$127,500</u>	<u>\$137,500</u>	<u>\$142,500</u>	<u>\$157,000</u>
<u>7</u>	<u>\$91,000</u>	<u>\$119,000</u>	<u>\$127,500</u>	<u>\$132,000</u>	<u>\$146,000</u>
<u>6</u>	<u>\$85,000</u>	<u>\$110,000</u>	<u>\$119,000</u>	<u>\$123,000</u>	<u>\$136,000</u>
<u>5</u>	<u>\$79,000</u>	<u>\$102,500</u>	<u>\$110,500</u>	<u>\$115,000</u>	<u>\$126,500</u>
<u>4</u>	<u>\$73,500</u>	<u>\$95,500</u>	<u>\$103,000</u>	<u>\$106,500</u>	<u>\$118,000</u>
<u>3</u>	<u>\$68,000</u>	<u>\$88,500</u>	<u>\$96,000</u>	<u>\$99,000</u>	<u>\$109,000</u>
<u>2</u>	<u>\$63,500</u>	<u>\$82,500</u>	<u>\$89,000</u>	<u>\$92,000</u>	<u>\$102,000</u>
<u>1</u>	<u>\$59,000</u>	<u>\$77,000</u>	<u>\$83,000</u>	<u>\$85,500</u>	<u>\$95,000</u>

Subd. 6 Salary Increases

- (a) **Fiscal Year ~~2020~~ 2022.** Up to 2.0% of aggregate base salaries as of July 1, ~~2019~~ 2021, may be used for merit increases. All administrators who, as of July 1, ~~2019~~ 2021, have six months of continuous service in a position covered by this Plan may be considered for a FY ~~2020~~ 2022 merit increase. FY ~~2020~~ 2022 merit increases shall be effective no earlier than July 1, ~~2019~~ 2021. Such merit increases may be granted either on the base or as a lump sum at the discretion of the chancellor/president. Such salary increases shall not result in a base salary above the maximum of the salary range to which the position is assigned.
- (b) **Fiscal Year 2021.** Up to 2.0% of aggregate base salaries as of July 1, ~~2020~~ 2022, may be used for merit increases. All administrators who, as of July 1, ~~2020~~ 2022, have at least six months of continuous service in a position covered by this Plan may be considered for a FY ~~2021~~ 2023 merit increase. FY ~~2021~~ 2023 merit increases shall be effective no earlier than July 1, ~~2020~~ 2022. Such merit increases may be granted either on the base or as a one-time, lump sum at the discretion of the chancellor/president. Such salary increases shall not result in a base salary above the maximum of the salary range to which the position is assigned.

Subd. 7 General Salary Administration Policies

- (a) **Lateral Transfer.** An administrator who transfers to another position in the same salary range within the same college/university or within the system office shall not have his/her salary changed, except as authorized in writing by the chancellor/designee. An administrator who permanently transfers to a different position in the same salary range with a different college/university or at the system office may have his/her salary increased to the mid-point of the range or by 3%, whichever is greater, upon approval by the chancellor/designee.
- (b) **Movement to a lower salary range.** An administrator who voluntarily moves or is reassigned to a position in a lower salary range shall normally retain their current salary, unless the administrator's salary is above the maximum rate for the lower salary range. In such circumstances, the administrator's salary will normally be reduced so that it does not exceed the maximum rate for the lower salary range.

The chancellor/president has the discretion to reduce an administrator's salary to any rate in the lower salary range. The chancellor or designee has the discretion to permit an administrator to retain their salary above the maximum for the lower range.
- (c) **Counters to External Offers of Employment.** The chancellor may adjust the salary of any administrator who presents to him/her written evidence of an employment offer at a higher salary from an employer outside the system.
- (d) **Review of Salary Range/Positions.**
 - (1) Position Descriptions. Position descriptions shall be reviewed by the administrator and his/her supervisor on a regular basis to determine if changes have occurred in the position or in the organizational structure. Revised or new position descriptions shall be approved by the chancellor/president or designee, as appropriate.
 - (2) Review of Present Salary Range/Positions. The chancellor or designee will assign positions to appropriate salary ranges. A request for position re-evaluation or salary range assignment review may be initiated at any time by an administrator or his/her supervisor. The procedure for handling requests for reviews shall be as set forth by the chancellor or designee.
- (e) **Additional Compensation Not Provided – Exception for Special Circumstances.** Administrators covered by this Plan are exempt employees under the Fair Labor Standards Act and are not compensated for overtime. Except as provided in this Plan, administrators are not awarded additional compensation for work performed above and beyond the minimum expectations of the position held by the administrator.

Administrators who teach courses for credit may receive additional compensation for such work, as described in this paragraph, if it is beyond the normal, expected duties of the administrator.

- (1) An administrator who teaches a credit-generating course at another college/university within the system may be compensated at the rate paid for adjunct faculty for the number of credits taught under the appropriate collective bargaining agreement.
 - (2) Administrators who ~~are assigned to teach a~~ one or more credit-generating courses at their home college/university may, ~~at the president's discretion with the President's written authorization, be compensated~~ receive additional compensation above and beyond their administrative salary at the rate paid for adjunct faculty for the number of credits taught under the appropriate collective bargaining agreement.
 - (3) Under no circumstances may an administrator ~~be compensated~~ receive additional compensation for teaching more than two (2) courses in a fiscal year without the express written approval of the chancellor/ vice-chancellor for human resources/president.
 - (4) As approved by the president or chancellor/designee, administrators may receive additional compensation for incidental work which is outside of the their normal duties, e.g., officiating at athletic contests, musical performances, non-credit teaching, but not including other instruction-related activities such as counseling, etc. In no case may the pay for such additional work exceed \$2000 per fiscal year.
 - (5) Additional compensation paid to administrators shall be paid to the administrator in their administrative capacity. Administrators shall not be assigned to a represented bargaining unit for purposes of payment.
- (f) **Exceptional Performance Awards.** The chancellor may adopt a program that provides lump-sum payments to those administrators who have demonstrated exceptional performance. Expenditures for the program are subject to the availability of funds. In each fiscal year, the total expenditure for this program is limited to no more than one (1) percent of the aggregate base salaries of Administrators actively employed or on leave of absence on the first day of the fiscal year.

Subd. 8 Salary Review and Adjustment

The chancellor shall have the right to review and adjust administrator salaries based on recognized job market surveys or system office initiated job market analysis and/or where evidence is found of salary inequity based on gender, race, or other equity claims.

Subd. 9 Health/Dental Premium and Expense Accounts

Insurance eligible administrators will have an option to pay for their portion of health and dental premiums on a pretax basis as permitted by law or regulation. ~~Administrators may cover co-payments, deductibles, and other medical and dental expenses or expenses for services not covered by health or~~

~~dental insurance as permitted by law or regulation, up to a maximum expenditure of \$5,000 per insurance year. Beginning with the insurance year starting January 1, 2013, the maximum amount that may be contributed to the health/dental expense account is \$2,500. The Board agrees to allow eligible administrators to participate in a medical and dental expense reimbursement program to cover allowable expenses on a pre-tax basis as permitted by law or regulation and to the extent this program is offered by and within the parameters set by Minnesota Management and Budget, including the minimum and maximum amount of salary reduction contributions.~~

Subd. 10 Health Reimbursement Accounts

The Employer will make an annual lump-sum contribution of \$600 to a Health Reimbursement Arrangement (HRA) Account for administrators who are employed and eligible for an employer contribution to the State Health insurance plan on January 1 each year. Beginning January 1, 2015, the annual lump-sum contribution to the HRA account shall be \$800. An administrator's eligibility to receive an HRA contribution and the HRA account will be subject to the rules of the Minnesota State Colleges and Universities approved HRA Plan document. Upon written notice to the Chief Human Resources Officer of the college/university/system office at which the administrator is employed, or to the System Director for Employee Benefits and Compensation, an administrator eligible to receive an HRA may elect not to receive the benefit.

~~Beginning June 30, 2017, the chancellor or vice chancellor for human resources may choose to end the system's contribution to the HRA Plan, if he/she determines that continued participation in the HRA Plan creates a significant risk that State Employee Group Insurance Plan may be subject to the excise tax under the Patient Protection and Affordable Care Act. If the system's contributions to the HRA Plan are terminated for any reason, the chancellor/vice chancellor for human resources may choose to will instead make an \$800 contribution on or about January 1 of each year on behalf eligible administrators to the Health Care Savings Plan (HCSP) administered by the Minnesota State Retirement System as described in Subdivision 14.~~

Subd. 11 Dependent Care Expense Account

Insurance eligible administrators will have an option to participate in a dependent care reimbursement program for work-related dependent care expenses on a pretax basis as permitted by law or regulation.

Subd. 12 Supplemental Retirement

As allowed by Minnesota Statutes §§ 354C.11, 354C.12 and 356.24, the Employer will make a matching contribution up to a maximum of \$2,700 per fiscal year to each eligible administrator's supplemental retirement account.

Subd. 13 Early Notice of Separation Incentive

Administrators in continuing appointments and having at least five (5) years of continuous service in positions covered by this plan who provide at least nine (9) months written notice of their intent to separate from employment shall receive a lump-sum payment equal to five (5.0) percent of their final annual base salary upon separation. The notice of intent to separate from employment must contain a specific date or brief time period for separation. The Administrator must simultaneously separate from employment with the System and from a position covered by this Plan in order to receive this payment. This provision does not apply to Administrators with individual employment contracts or Administrators in interim or acting appointments with no continuing employment status under the terms of this Plan.

Subd. 14 Employee Contributions to Health Care Savings Plan Accounts

The chancellor may establish a program of mandatory employee contributions to individual Health Care Savings Plan accounts administered by the Minnesota State Retirement System. The chancellor shall determine eligibility criteria, contribution amounts and other benefit features consistent with state and federal law.

APPENDIX A - ANNUAL LEAVE ACCRUAL SCHEDULE FOR ADMINISTRATORS

Subd. 1 Chancellor, Presidents, Vice Chancellor for Academic Affairs

Eight (8) days at the end of the first full pay period of the fiscal year, and one (1) day at the end of each of the remaining pay periods worked during each fiscal year of employment.

Subd. 2 Other Full-time Administrators

Shall be credited with annual leave on the following basis:

Effective Date Of Accrual Changes	Accrual Rate (Includes former floating Holiday)
From date of employment until the beginning of the fiscal year in which the administrator is anticipated to complete 6 years of credited service.	One (1) day at the end of each of the first 23 full pay periods worked during each fiscal year of employment.
Effective with the beginning of the fiscal year in which the administrator is anticipated to complete 6 years of credited service.	Two (2) days at the end of the first full pay period of the fiscal year and one (1) day at the end of each remaining pay periods worked during each fiscal year of employment.
Effective with the beginning of the fiscal year in which the administrator is anticipated to complete 13 years of credited service	Five (5) days at the end of the first full pay period of the fiscal year and one (1) day at the end of each remaining pay period worked during each fiscal year of employment.
Effective with the beginning of the fiscal year in which the administrator is anticipated to complete 21 years of credited service.	Eight (8) days at the end of the first full pay period of the fiscal year and one (1) day at the end of each remaining pay period worked during each fiscal year of employment.

Changes in annual leave accrual rates take effect in the first full pay period of the fiscal year in which the administrator is anticipated to satisfy the continuous service requirement.

Administrators employed for less than full-time or employed for less than a full pay period at the beginning or end of their appointment shall have the annual leave pro-rated for the applicable pay periods.

The chancellor/designee may establish a procedure for crediting annual leave accruals in equal increments throughout the fiscal year as an alternative to the schedule set forth above.

APPENDIX B – INSURANCE CHAPTER INCORPORATED FROM STATE MANAGERIAL PLAN

Section 1. Manager Group Insurance Program (SEGIP). Minnesota management and budget shall provide a group insurance program that includes health, dental, life, and disability coverages equivalent to existing coverages, subject to the provisions of this chapter. This chapter is effective January 1, ~~2020~~2022. After July 1, ~~2021~~2023, the provisions of this chapter are superseded and replaced by insurance benefits as collectively bargained between the state and participating labor unions and approved for at least one collective bargaining agreement, by either the subcommittee on employee relations (SER) or the full legislature.

All insurance eligible managers will be provided access to an electronic summary of benefits (SOB) or certificate of coverage (COC) for each insurance product. These documents shall be provided no less than biennially and prior to the beginning of the insurance year.

Section 2. Eligibility for Group Participation. This section describes eligibility to participate in the group insurance program.

- A. **Managers - Basic Eligibility**. Managers may participate in the Group Insurance Program if they are scheduled to work at least one thousand forty-four (1044) hours in any twelve (12) consecutive months, except for: emergency, or temporary classified, or intermittent managers.
- B. **Managers - Special Eligibility**. The following managers are also eligible to participate in the Group Insurance Program:
 1. **Managers with a Work-related Injury/Disability**. A manager who was off the State payroll due to a work-related injury or a work-related disability may continue to participate in the Group Insurance Program as long as such a manager receives workers' compensation payments or while the workers' compensation claim is pending.
 2. **Totally Disabled Managers**. Consistent with M.S. 62A.148, certain totally disabled managers may continue to participate in the Group Insurance Program.
 3. **Separated Managers Under M.S. 43A.27**. Pursuant to M.S. 43A.27, Subdivision 3(a)(1), a manager who separates or retires from State service and who, at the time of separation has five (5) or more years of allowable pension service and is entitled to immediately receive an annuity under a State retirement program and, who is not eligible for regular (non-disability) Medicare coverage, may continue to participate in the health and dental coverages offered through the Group Insurance Program.

Consistent with M.S. 43A.27, subdivision 3(a)(2), a manager who separates from State service and who, at the time of separation is at least fifty (50) years of age and at least fifteen (15) years of State service may continue to participate in the health and dental coverages offered through the Group Insurance Program. Retiree coverage must be coordinated with Medicare.

C. **Dependents.** Eligible dependents for the purposes of this Chapter are as follows:

1. **Spouse.** The spouse of an eligible manager (if legally married under Minnesota law). For the purpose of health insurance coverage, if that spouse works full-time for an organization employing more than one hundred (100) people and ~~elects to receive either credits or cash~~ (1) elects to receive either credits or cash in place of health insurance or towards some other benefit in place of health insurance, then they are not eligible for the comparable coverage or insurance under this Article; or health coverage or (2) ~~in addition to a health plan with a seven hundred and fifty dollar (\$750) or greater deductible through their employing organization, they are not eligible to be a covered dependent for the purposes of this Chapter. If both spouses work for the State or another organization participating in the State's Group Insurance Program, neither spouse may be covered as a dependent by the other, unless one spouse is not eligible for a full Employer Contribution as defined in Section 3A, is enrolled in a high deductible medical insurance plan (as defined by the IRS) that includes a contribution to a health savings account (HSA) through their employing organization, then they are not eligible for medical coverage under this Article.~~

~~If both~~ When both spouses work for the State, or another organization participating in the State's ~~Employee~~ Group Insurance Program, a spouse may be covered as a dependent by the other but when covered as a dependent they may not carry their own coverage (members may only be covered once).

2. **Children.**

- a. **Health and Dental Coverage:** A dependent child is an eligible manager's child to age twenty-six (26).
- b. **Dependent Child:** A "dependent child" includes a manager's (1) biological child, (2) child legally adopted by or placed for adoption with the manager, (3) step-child, and (4) foster child who has been placed with the manager by an authorized placement agency or by a judgment, decree, or other court order. For a stepchild to be considered a dependent child, the manager must be legally married to the child's legal parent or legal guardian. A manager (or the manager's spouse or jointly) must have permanent, full and sole legal and physical custody of the foster child.
- c. **Coverage Under Only One Plan:** For purposes of (a) and (b) above, if the manager's adult child (age 18 to 26) works for the State or another organization participating in the State's Group Insurance Program, the child may not be covered as a dependent by the manager unless the child is not eligible for a full Employer Contribution as defined in Section 3A.

For purposes of (a) and (b) above, if the manager's adult child (age 18 to 26) works for the State or another organization participating in the State's Group Insurance Program, the child may be covered as a dependent by the manager.

3. **Grandchildren.** A dependent grandchild is an eligible manager's unmarried dependent grandchild who:

- a. Is financially dependent upon the manager for principal support and maintenance and has resided with the manager continuously from birth, or
- b. Resides with the manager and is dependent upon the manager for principal support and maintenance and is the child of the manager's unmarried child (the parent) to age nineteen (19).

If a grandchild is legally adopted or placed in the legal custody of the grandparent, they are covered as a dependent child under Section 2C (2) and (4).

4. **Disabled Child with a Disability.** A ~~disabled~~ dependent child with a disability is an eligible manager's child or grandchild regardless of marital status, who was covered and then disabled prior to the limiting age or any other limiting term required for dependent coverage and who continues to be incapable of self-sustaining employment by reason of developmental disability, mental illness or disorder, or physical disability, and is chiefly dependent upon the manager for support and maintenance, provided proof of such incapacity and dependency must be furnished to the health carrier by the manager or enrollee within thirty one (31) days of the child's attainment of the limiting age or any other limiting term required for dependent coverage. The ~~disabled~~ dependent with a disability is eligible to continue coverage as long as they continue to be disabled and dependent, unless coverage terminates under the contract.

5. **Qualified Medical Child Support Order.** A child who would otherwise meet the eligibility requirements and is required to be covered by a Qualified Medical Child Support Order (QMCSO) is considered an eligible dependent.

6. **Child Coverage Limited to Coverage Under One Manager.** If both spouses work for the State or another organization participating in the State's Group Insurance Program, either spouse, but not both, may cover the eligible dependent children or grandchildren. This restriction also applies to two divorced, legally separated, or unmarried managers who share legal responsibility for their eligible dependent children or grandchildren.

D. **Continuation Coverage.** Consistent with state and federal laws, certain managers, former managers, dependents, and former dependents may continue group health, dental, and/or life coverage at their own expense for a fixed length of time if the group coverage would otherwise terminate due to:

- a. Termination of employment (except for gross misconduct);
- b. Layoff;
- c. Reduction of hours to an ineligible status;
- d. Dependent child becoming ineligible due to change in age, student status, marital status, or financial support (in the case of a foster child or stepchild);
- e. Death of manager;
- f. Divorce or legal separation; or
- g. A covered manager's enrollment in Medicare.

Section 3. Eligibility for Employer Contribution. This section describes eligibility for an employer contribution toward the cost of coverage.

A. **Full Employer Contribution – Basic Eligibility.** Managers covered by this Plan who are scheduled to work at least seventy-five (75) percent of the time are eligible for the full Employer Contribution. This means:

1. Managers who are scheduled to work at least eighty (80) hours per pay period for a period of nine (9) months or more in any twelve (12) consecutive months.
2. Managers who are scheduled to work at least sixty (60) hours per pay period for twelve (12) consecutive months, but excluding part-time or seasonal managers serving on less than a seventy-five percent (75%) basis.

B. **Partial Employer Contribution – Basic Eligibility.** The following managers covered by this Plan receive the full Employer Contribution for basic life coverage, and at the manager's option, a partial Employer Contribution for health and dental coverages if they are scheduled to work at least fifty (50) percent but less than seventy-five (75) percent of the time. This means:

1. Managers who hold part-time appointments and who are scheduled to work at least forty (40) hours but less than sixty (60) hours per pay period for twelve (12) consecutive months.
2. Managers who hold part-time or seasonal appointments and who are scheduled to work at least one thousand forty-four (1044) hours over a period of any twelve (12) consecutive months.

The partial Employer Contribution for health and dental coverages is seventy-five percent (75%) of the full Employer Contribution for both employee only and dependent coverage.

C. **Special Eligibility.** The following managers also receive an Employer Contribution:

1. **Managers on Layoff.** A classified manager who receives an Employer Contribution, who has three (3) or more years of continuous service, and who has been permanently or seasonally laid off, remains eligible for an Employer Contribution and all other benefits provided under this Chapter for an extended benefit eligibility period of six (6) months from the date of layoff. In no event shall the Employer Contribution continue beyond the date at which the manager reaches the age of sixty-five (65).
 - a. **Seasonal Layoff.** The calculation in determining the six (6) months duration of eligibility for an Employer Contribution begins on the date the manager is seasonally laid off.
 - b. **Permanent Layoff.** The calculation in determining the six (6) month duration of eligibility for an Employer Contribution begins on the date the manager is permanently laid off or accepts an appointment in lieu of layoff without a break in service with a lesser employer-paid insurance contribution than the manager was receiving in the appointment from which the layoff occurred and is no longer actively employed in the appointment from which the layoff occurred.

In the event the manager, while on permanent or seasonal layoff, is rehired to any state job classification with a lesser employer-paid insurance contribution than the manager is receiving under the six (6) months of insurance continuation, the manager shall continue to receive the Employer Contribution toward the employer-paid insurance for the duration of the six (6) months.

However, notwithstanding the paragraph above, in the event the manager successfully claims another state job in any agency and classification which is insurance eligible without a break in service, and is subsequently non-certified or involuntarily separated, the six (6) month duration for the Employer Contribution toward insurance benefits will begin at the time the manager is non-certified or otherwise involuntarily separated and is no longer actively employed by the Employer.

In no event shall an extended benefit eligibility period be longer than a total of six (6) months. Further, a manager must be receiving an Employer Contribution under Section 3 (A) or (B) at the time of layoff in order to be eligible for the six (6) months continuation of insurance.

2. **Work-related Injury/Disability.** A manager who receives an Employer Contribution and who is off the State payroll due to a work-related injury or a work-related disability remains eligible for an Employer Contribution as long as such a manager receives workers' compensation payments. If such manager ceases to receive workers' compensation payments for the injury or disability and is granted a medical leave under Chapter 6, they shall be eligible for an Employer Contribution during that leave.

D. Maintaining eligibility for employer contribution.

1. **General.** A manager who receives a full or partial Employer Contribution maintains that eligibility as long as the manager meets the Employer Contribution eligibility requirements, and appears on a State payroll for at least one (1) full working day during each payroll period. This requirement does not apply to managers who receive an Employer Contribution while on layoff as described in Section 3C1, or while eligible for workers' compensation payments as described in Section 3C2.
2. **Unpaid Leave of Absence.** If a manager is on an unpaid leave of absence, then vacation leave, compensatory time, or sick leave cannot be used for the purpose of maintaining eligibility for an Employer Contribution by keeping the manager on a State payroll for one (1) working day per pay period.
3. **School Year Employment.** If a manager is employed on the basis of a school year and such employment contemplates absences from the State payroll during the summer months or vacation periods scheduled by the Appointing Authority which occur during the regular school year, the manager shall nonetheless remain eligible for an Employer Contribution, provided that the manager appears on the regular payroll for at least one working day in the payroll period immediately preceding such absences.

4. **Special Leaves.** A manager who is on an approved FMLA leave or on a salary savings leave as provided elsewhere in this plan maintains eligibility for an Employer Contribution.

Section 4. Amount of Employer Contribution. For managers eligible for an employer contribution as described in section 3, the amount of the employer contribution will be determined as follows beginning on January 1, ~~2020~~2022. The employer contribution amounts and rules in effect on June 30, ~~2019~~2021 will continue through December 31, ~~2019~~2021.

A. Contribution formula – health coverage.

1. **Manager Coverage.** For manager health coverage, the employer contributes an amount equal to ninety-five percent (95%) of the manager-only premium of the Minnesota Advantage Health Plan (Advantage).
2. **Dependent Coverage.** For dependent health coverage for the ~~2020~~ 2022 and ~~2021~~ 2023 plan years, the employer contributes an amount equal to the lesser of eighty five percent (85%) of the dependent premium of Advantage.

B. Contribution formula - dental coverage.

1. **Manager Coverage.** For manager dental coverage, the employer contributes an amount equal to the lesser of ninety percent (90%) of the manager premium of the State Dental Plan, or the actual manager premium of the dental plan chosen by the manager. However, beginning January 1, 2019, the minimum manager contribution shall be thirteen dollars and fifty cents (\$13.50) per month.
 2. **Dependent Coverage.** For dependent dental coverage, the employer contributes an amount equal to the lesser of fifty percent (50%) of the dependent premium of the State Dental Plan, or the actual dependent premium of the dental plan chosen by the manager.
- C. Contribution Formula - Basic Life Coverage.** For manager basic life coverage and accidental death and dismemberment coverage, the employer contributes one hundred percent (100%) of the cost.

Section 5. Coverage changes and effective dates.

A. When Coverage May Be Chosen.

1. **Newly Hired Managers.** A manager hired into an insurance eligible position must make their benefit elections by their initial effective date of coverage as defined in this Chapter, Section 5C. Insurance eligible managers will automatically be enrolled in basic life coverage. If managers eligible for a full Employer Contribution do not choose a health plan administrator and a primary care clinic by their initial effective date, and do not waive medical coverage, they will be enrolled in a Benefit Level Two clinic (or Level One, if available) that meets established access standards in the health plan with the largest number of Benefit Level One and Two clinics in the county of the manager's residence at the beginning of the insurance year. If a manager does not choose a health plan administrator and primary care clinic by their initial effective date, but was previously

covered as a dependent immediately prior to their initial effective date, they will be defaulted to the plan administrator and primary care clinic in which they were previously enrolled.

Newly hired managers may waive medical coverage prior to their initial effective date if they can provide documentation to SEGIP stating that enrolling in SEGIP coverage would cause them to lose eligibility for other medical coverage currently in effect.

2. **Eligibility Changes.** Managers who become eligible for a full Employer Contribution must make their benefit elections within thirty (30) calendar days of becoming eligible. If managers do not choose a health plan administrator and a primary care clinic within this thirty (30) day timeframe, and do not waive medical coverage, they will be enrolled in a Benefit Level Two clinic (or Level One, if available) that meets established access standards in the health plan with the largest number of Benefit Level One and Two clinics in the county of the manager's residence at the beginning of the insurance year.

If managers who become eligible for a partial Employer Contribution choose to enroll in insurance, they must do so within thirty (30) days of becoming eligible or during open enrollment.

A manager may change their health or dental plan if the manager changes to a new permanent work or residence location, and the manager's current plan is no longer available. If the manager has family coverage and if the new residence location is outside of the current plan's service area, the manager shall be permitted to switch to a new plan administrator and new Benefit Level within thirty (30) days of the residence location change. The election change must be due to and correspond with the change in status.

A manager who receives notification of a work location change between the end of an open enrollment period and the beginning of the next insurance year may change their health or dental plan within thirty (30) calendar days of the date of the relocation under the same provisions accorded during the last open enrollment period. A manager or retired manager may also change health or dental plans in any other situation in which the employer is required by the applicable federal or state law to allow a plan change.

3. **Waiving Medical Coverage. Effective July 1, 2017** Employees may choose to waive medical coverage. If employees are eligible for the full Employer Contribution and choose to waive medical coverage an employee must submit a Waiver of Medical Coverage form and provide proof of other coverage by the end of the employee's enrollment period. If an employee does not submit the form and proof by the end of the employee's enrollment period the employee will be enrolled in medical coverage. If an employee waives medical coverage the employee can elect it again during Open Enrollment or midyear upon a permitted Qualified Life Event.

B. When Coverage May be Changed or Cancelled.

1. **Changes Due to a Life Event.** After the initial enrollment period and outside of any open enrollment period, a manager may elect to change health or dental coverage (including adding or canceling coverage) and any applicable manager contributions in the following situations (as long as allowed under the applicable provisions, regulations, and rules of the federal and state law in effect at the beginning of the plan year).

The request to change coverage must be consistent with a change in status that qualifies as a life event, and does not include changing health or dental plans, which may only be done under the terms of Section 5A above. Any election to add coverage must be made within thirty (30) days following the event, and any election to cancel coverage must be made within sixty (60) days following the event. (A manager and a retired manager may add dependent health or dental coverage following the birth of a child or dependent grandchild, or following the adoption of a child, without regard to the thirty (30) day limit.) These life events (for both managers and retired managers) are:

- a. A change in legal marital status, including marriage, death of a spouse, divorce, legal separation and annulment.
- b. A change in number of dependents, including birth, death, adoption, and placement for adoption.
- c. A change in employment status of the manager, or the manager's or retired manager's spouse or dependent, including termination or commencement of employment, a strike or lockout, a commencement of or return from an unpaid leave of absence, a change in worksite, and a change in working conditions (including changing between part-time and full-time or hourly and salaried) of the manager, the manager's or retired manager's spouse or dependent which results in a change in the benefits they receive under a cafeteria plan or a health or dental plan.
- d. A dependent ceasing to satisfy eligibility requirements for coverage due to attainment of age or otherwise no longer meets the eligibility requirements under Section 2C.
- e. A change in the place of residence of the manager, retired manager or their spouse or dependent that is not in the health plan administrator's service area.
- f. Significant cost or coverage changes (including coverage curtailment and the addition of a benefit package).
- g. Family Medical Leave Act (FMLA) leave.
- h. Judgments, decrees or orders.
- i. A change in coverage of a spouse or dependent under another plan.

- j. Open enrollment under another plan.
 - k. Health Insurance and Portability and Accountability Act (HIPAA) special enrollment rights for new dependents and in the case of loss of other insurance coverage.
 - l. A COBRA-qualifying event.
 - m. Loss of coverage under the group health plan of a governmental or educational institution (a State's children's health insurance program, medical care program of an Indian tribal government, State health benefits risk pool, or foreign government group health plan).
 - n. Entitlement to Medicare or Medicaid.
 - o. Any other situations in which the group health or dental plan is required by the applicable federal or state law to allow a change in coverage.
2. **Canceling Dependent Coverage During Open Enrollment.** In addition to the above situations, dependent health or dependent dental coverage may also be cancelled for any reason during the open enrollment period that applies to each type of plan (as long as allowed under the applicable provisions, regulations and rules of the federal and state law in effect at the beginning of the plan year).
3. **Canceling Manager Coverage.** A part-time manager may also cancel manager coverage within sixty (60) days of when one of the life events set forth above occurs.
4. **Effective Date of Benefit Termination.** Medical, dental and life coverage termination will take effect on the first of the month following the loss of eligible manager or dependent status. Disability benefit coverage terminations will take effect on the day following loss of eligible manager status.

C. **Effective Date of Coverage.**

1. **Initial Effective Date.** The initial effective date of coverage under the Group Insurance Program is the ~~thirty-fifth~~thirtieth (~~35th~~30th) day following the manager's first day of employment, re-hire, or reinstatement with the State. The initial effective date of coverage for a manager whose eligibility has changed is the date of the change. A manager must be actively at work on the initial effective date of coverage, except that a manager who is on paid leave on the date State-paid life insurance benefits increase is also entitled to the increased life insurance coverage. In no event shall a manager's dependent's coverage become effective before the manager's coverage.

If a manager is not actively at work due to manager or dependent health status or medical disability, medical and dental coverage will still take effect. (Life and disability coverage will be delayed until the manager returns to work.)

2. Delay in Coverage Effective Date.

- a. **Basic Life.** If a manager is not actively at work on the initial effective date of coverage, coverage will be effective on the first day of the manager's return to work. The effective date of a change in coverage is not delayed in the event that, on the date the coverage change would be effective, a manager is on an unpaid leave of absence or layoff.
- b. **Medical and Dental.** If a manager is not actively at work on the initial effective date of coverage due to a reason other than hospitalization or medical disability of the manager or dependent, medical and dental coverage will be effective on the first day of the manager's return to work. The effective date of a change in coverage is not delayed in the event that, on the date the coverage change would be effective, a manager is on an unpaid leave of absence or layoff.
- c. **Optional Life and Disability Coverages.** In order for coverage to become effective, the manager must be in active payroll status and not using sick leave on the first day following approval by the insurance company. If it is an open enrollment period, coverage may be applied for but will not become effective until the first day of the manager's return to work.

D. Open Enrollment.

1. **Frequency and Duration.** There shall be an open enrollment period for health coverage in each year of this Plan, and for dental coverage in the first year of this Plan. Dental coverage will be offered during the 2023 plan year Open Enrollment. Each year of the Plan, all managers shall have the option to complete a Health Assessment. Open enrollment periods shall last a minimum of fourteen (14) calendar days in each year of this Plan. Open enrollment changes become effective on January 1 of each year of this Plan. Subject to a timely plan settlement, Minnesota Management and Budget shall make open enrollment materials available to managers at least fourteen (14) days prior to the start of the open enrollment period.

Open enrollment may be suspended at the discretion of the Commissioner if, by October 15 of any insurance year, this Chapter or a negotiated insurance article has not been approved in accordance with M.S. 3.855.

2. **Eligibility to Participate.** A manager eligible to participate in the State Employee Group Insurance Program, as described in Section 2A and 2B, may participate in open enrollment. In addition, a person in the following categories may, as allowed in Section 5E1 above, make certain changes: (1) a former manager or dependent on continuation coverage, as described in Section 2D, may change plans or add coverage for health and/or dental plans on the same basis as active managers; and (2) an early retiree, prior to becoming eligible for Medicare, may change health and/or dental plans as agreed to for active managers, but may not add dependent coverage.
3. **Materials for Manager Choice.** Each year prior to open enrollment, the Appointing Authority will give eligible managers the information necessary to make open enrollment selections. Managers will be provided a statement of their current coverage

each year of the plan.

- E. **Coverage Selection Prior to Retirement.** A manager who retires and is eligible to continue insurance coverage as a retired manager may change their health or dental plan during the sixty (60) calendar day period immediately preceding the date of retirement. The manager may not add dependent coverage during this period. The change takes effect on the first day of the month following the date of retirement.

Section 6. Basic coverages.

A. **Manager and Dependent Health Coverage.**

1. **Minnesota Advantage Health Plan (Advantage).** The health coverage portion of the State Employee Group Insurance Program is provided through the Minnesota Advantage Health Plan (Advantage), a self-insured health plan offering four (4) Benefit Level options. Provider networks and claim administration are provided by multiple plan administrators. Coverage offered through Advantage is determined by Section 6A2.
2. **Coverage Under the Minnesota Advantage Health Plan.** From July 1, ~~2019~~ 2021 through December 31, ~~2019~~2021, health coverage under the SEGIP will continue at the level in effect on June 30, ~~2017~~2021. Effective January 1, ~~2020~~2022, Advantage will cover eligible services subject to the copayments, deductibles and coinsurance coverage limits stated. Services provided through Advantage are subject to the managed care procedures and principles, including standards of medical necessity and appropriate practice, of the plan administrators. Coverage details are provided in the Advantage Summary of Benefits.
 - a. **Benefit Options.** Managers must elect a plan administrator and primary care clinic. Those elections will determine the Benefit Level through Advantage. Enrolled dependents must elect a primary care clinic that is available through the plan administrator chosen by the manager.
 1. **Plan Administrator.** Managers must elect a plan administrator during their initial enrollment in Advantage and may change their plan administrator election only during the annual open enrollment and when permitted under Section 5. Dependents must be enrolled through the same plan administrator as the manager.
 2. **Benefit Level.** The primary care clinics available through each plan administrator are assigned a Benefit Level. The Benefit Levels are outlined in the benefit chart below. Primary care clinics may be in different Benefit Levels for different plan administrators. Family members may be enrolled in clinics that are in different Benefits Levels. Managers and their dependents may change to clinics in different Benefit Levels during the annual open enrollment. Managers and their dependents may also elect to move to a clinic in a different Benefit Level within the same plan administrator up to two (2) additional times during the plan year. Unless the individual has a referral from their primary care clinic, there are no benefits for services received from providers in Benefit Levels that are different from that of the primary care clinic in which the individual has enrolled.

3. **Primary Care Clinic.** Managers and each of their covered dependents must individually elect a primary care clinic within the network of providers offered by the plan administrator chosen by the manager. Managers and their dependents may elect to change clinics within their clinic's Benefit Level as often as the plan administrator permits and as outlined above.

4. **Advantage Benefit Chart for Services Incurred During Plan Years ~~2020~~ 2022 and 20212023.**

<u>2020-2022 and 2021 2023 Benefit Provision</u>	<u>Benefit Level</u> <u>1</u> <u>The member</u> <u>pays:</u>	<u>Benefit Level</u> <u>2</u> <u>The member</u> <u>pays:</u>	<u>Benefit Level</u> <u>3</u> <u>The member</u> <u>pays:</u>	<u>Benefit Level</u> <u>4</u> <u>The member</u> <u>pays:</u>
Deductible for all services except drugs and preventive care (S/F)	\$250/ \$500	\$400/ \$800	\$750/ \$1,500	\$1,500/ \$3,000
Office visit copay/ urgent care (copay waived for preventive services) For 2020 1) Having taken health assessment and opted in for health coaching 2) Not having taken health assessment or not having opted in for health coaching For 2021 The incentive is changed, and the only available copay option is copay #2	 1) \$30 2) \$35	 1) \$35 2) \$40	 1) \$65 2) \$70	 1) \$85 2) \$90
In-Network Convenience Clinics and Online Care (deductible waived)	\$0	\$0	\$0	\$0

Emergency room copay	\$100 <u>not subject to the Deductible</u>	\$100 <u>125 not subject to the Deductible</u>	\$100 <u>150 not subject to the Deductible</u>	<u>\$350 not subject to the Deductible</u> N/A – subject to Deductible
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<u>2020-2022 and 2021 2023 Benefit Provision</u>	<u>Benefit Level 1 The member pays:</u>	<u>Benefit Level 2 The member pays:</u>	<u>Benefit Level 3 The member pays:</u>	<u>Benefit Level 4 The member pays:</u>
				and 25% Coinsurance to OOP maximum
Facility copays <ul style="list-style-type: none"> Per inpatient admission (waived for admission to Center of Excellence) Per outpatient surgery 	\$100 \$60	\$200 \$120	\$500 \$250	N/A – subject to Deductible and 25% Coinsurance to OOP maximum N/A – subject to Deductible and 25% Coinsurance to OOP maximum
Coinsurance for MRI/CT scan services	10%	15%	25%	N/A – subject to Deductible and 30% Coinsurance to OOP maximum
Coinsurance for services NOT subject to copays	5% (95% coverage after payment of deductible)	5% (95% coverage after payment of deductible)	20% (80% coverage after payment of deductible)	25% for all services to OOP maximum after deductible
Coinsurance for lab, pathology and X-ray (not included as part of	10% (90% coverage after payment	10% (90% coverage after payment	20% (80% coverage after payment	25% for all services to OOP

preventive care and not subject to office visit or facility copayments)	of deductible)	of deductible)	of deductible)	maximum after deductible
<u>2020-2022 and 2021-2023 Benefit Provision</u>	<u>Benefit Level 1</u> <u>The member pays:</u>	<u>Benefit Level 2</u> <u>The member pays:</u>	<u>Benefit Level 3</u> <u>The member pays:</u>	<u>Benefit Level 4</u> <u>The member pays:</u>
Coinsurance for durable medical equipment	20% (80% coverage after payment of 20% coinsurance)	20% (80% coverage after payment of 20% coinsurance)	20% (80% coverage after payment of 20% coinsurance)	25% for all services to OOP maximum after deductible
Copay for three-tier prescription drug plan	Tier 1: \$18 Tier 2: \$30 Tier 3: \$55	Tier 1: \$18 Tier 2: \$30 Tier 3: \$55	Tier 1: \$18 Tier 2: \$30 Tier 3: \$55	Tier 1: \$18 Tier 2: \$30 Tier 3: \$55
Maximum drug out-of-pocket limit (S/F)	\$1,050/ \$2,100	\$1,050/ \$2,100	\$1,050/ \$2,100	\$1,050/ \$2,100
Maximum non-drug out-of-pocket limit (S/F)	\$1,700/ \$3,400	\$1,700/ \$3,400	\$2,400/ \$4,800	\$3,600/ \$7,200

- b. ~~**Office Visit Copayments Incentive.** In 2020, the level of the office visit copayment applicable to a manager and dependents is based upon whether the manager has completed the on-line Health Assessment during open enrollment and has agreed to opt-in for health coaching. In 2021, employees will receive a \$70 first-dollar credit to their individual deductible (for employees enrolled in either single or family coverage), conditional upon completion of qualifying activities in the State of Well-being program by the deadline. (The \$70 employee individual deductible credit replaces the copayment reduction.)~~
- c. **Services received from, or authorized by, a primary care physician within the primary care clinic.** Under Advantage, the health care services outlined in the benefits charts above shall be received from, or authorized by a primary care physician within the primary care clinic. Preventive care, as outlined in the Summary of Benefits, is covered at one hundred percent (100%) for services received from or authorized by the primary care clinic. The primary care clinic shall be selected from approved clinics in accordance with the Advantage administrative procedures. Unless otherwise specified in 6A2, services not received from, or authorized by, a primary care physician within the primary care clinic may not be covered. Unless the individual has a referral from their primary care clinic, there are no benefits for services received from providers in Benefit Levels that are different from that of the primary care clinic in which the individual has enrolled.

d. **Services not requiring authorization by a primary care physician within the primary care clinic.**

1. **Eye Exams.** Limited to one (1) routine examination per year for which no copay applies. Eye injury or illness at an in-network provider will be covered as an office visit based on the benefit level in which the individual is enrolled.
2. **Outpatient Emergency and Urgicenter Services within the Service Area.** The emergency room copay applies to all outpatient emergency visits that do not result in hospital admission within twenty-four (24) hours. The urgicenter copay is the same as the primary care clinic office visit copay.
3. ~~**Emergency and urgently needed care outside the service area.** Professional services of a physician, emergency room treatment, and inpatient hospital services are covered at eighty percent (80%) of the first two thousand dollars (\$2,000) of the charges incurred per insurance year, and one hundred percent (100%) thereafter. The maximum eligible out-of-pocket expense per individual per year for this benefit is four hundred dollars (\$400). This benefit is not available when the member's condition permits them to receive care within the network of the plan in which the individual is enrolled.~~

4.3. Ambulance. The deductible and coinsurance for services not subject to copays applies.

e. **Prescription Drugs.**

1. **Copayments and annual out-of-pocket maximums.**

For the first and second year of the contract:

Tier 1 copayment: Eighteen-dollar (\$18) copayment per prescription or refill for a Tier 1 drug dispensed in a thirty (30) day supply.

Tier 2 copayment: Thirty-dollar (\$30) copayment per prescription or refill for a Tier 2 drug dispensed in a thirty (30) day supply.

Tier 3 copayment: Fifty-five-dollar (\$55) copayment per prescription or refill for a Tier 3 drug dispensed in a thirty (30) day supply.

Out of pocket maximum: There is an annual maximum eligible out-of-pocket expense limit for prescription drugs of one-thousand and fifty dollars (\$1,050) per person or two thousand one hundred dollars (\$2,100) per family.

2. **Insulin.** Insulin will be treated as a prescription drug subject to a separate copay for each type prescribed.

3. **Brand Name Drugs.** If the subscriber chooses a brand name drug when a bioequivalent generic drug is available, the subscriber is required to pay the standard copayment plus the difference between the cost of the brandname drug and the generic. Amounts above the copay that an individual elects to pay for a brand name instead of a generic drug will not be credited toward the out-of-pocket maximum.
- f. **Special Service Networks.** The following services must be received from special service network providers in order to be covered. All terms and conditions outlined in the Summary of Benefits apply.
 1. Mental health services – inpatient or outpatient
 2. Chemical dependency services – inpatient and outpatient
 3. Chiropractic services
 4. Transplant coverage
 5. Cardiac services
 6. Home infusion therapy
 7. Hospice
- g. **Individuals whose permanent residence and principal work location are outside the State of Minnesota and outside of the service areas of the health plans participating in Advantage.** If these individuals use the plan administrator's national preferred provider organization in their area, services will be covered at Benefit Level Two. If a national preferred provider is not available in their area, services will be covered at Benefit Level Two through any other provider available in their area. If the national preferred provider organization is available but not used, benefits will be paid at the POS level described in paragraph "i" below. All terms and conditions outlined in the Summary of Benefits will apply.
- h. **Children living with an ex-spouse outside the service area of the manager's plan administrator.** Covered children living with former spouses outside the service area of the manager's plan administrator, and enrolled under this provision as of December 31, 2003, will be covered at Benefit Level Two benefits. If available, services must be provided by providers in the plan administrator's national preferred provider organization. If the national preferred provider organization is available but not used, benefits will be paid at the POS level described in paragraph "i" below.
- i. **Individuals whose permanent residence is outside the State of Minnesota and outside the service areas of the health plans participating in Advantage.** (This category includes managers temporarily residing outside Minnesota on temporary assignment or paid leave (including sabbatical leaves) and all dependent children (including college students) and spouses living out of area.) The point of service (POS) benefit described below is available to

these individuals. All terms and conditions outlined in the Summary of Benefits apply. This benefit is not available or services received within the service areas of the health plans participating in Advantage.

1. **Deductible.** There is a three hundred fifty dollar (\$350) annual deductible per person, with a maximum deductible per family per year of seven hundred dollars (\$700).
2. **Coinsurance.** After the deductible is satisfied, seventy percent (70%) coverage up to the plan out-of-pocket maximum designated below.
- j. **Lifetime maximums and non-prescription out-of-pocket maximums.** Coverage under Advantage is not subject to a per person lifetime maximum. In the first and second years of the contract, coverage under Advantage is subject to a plan year, non-prescription drug, out-of-pocket maximum of one thousand seven hundred dollars (\$1,700) per person or three thousand four hundred dollars (\$3,400) per family for members whose primary care clinic is in Cost Level 1 or Cost Level 2; two thousand four hundred dollars (\$2,400) per person or four thousand eight hundred dollars (\$4,800) per family for members whose primary care clinic is in Cost Level 3; and three thousand six hundred dollars (\$3,600) per person or seven thousand two hundred dollars (\$7,200) per family for members whose primary care clinic is in Cost Level 4.
- k. **In-Network Convenience Clinics and Online Care.** Services received at in-network convenience clinics and online care are not subject to a copayment. First dollar deductibles are waived for convenience clinic and online care visits. (Note that prescriptions received as a result of a visit are subject to the drug copayment and out-of-pocket maximums described above at 6A2(4)e).
3. During the ~~2020~~ 2022 plan year, Minnesota Management and Budget shall offer a high deductible health plan as a voluntary alternative to the Minnesota Advantage Health Plan.
4. **Benefit Level Two Health Care Network Determination.** Issues regarding the health care networks for the ~~2020~~ 2022 insurance year shall be negotiated in accordance with the following procedures:
 - a. At least twelve (12) weeks prior to the open enrollment period for the ~~2020~~ 2022 insurance year Minnesota Management and Budget shall meet and confer with the Joint Labor/Management Committee on Health Plans in an attempt to reach agreement on the Benefit Level Two health care networks.

If no agreement is reached within five (5) working days, Minnesota Management and Budget and the Joint Labor/Management Committee on behalf of all of the exclusive representatives shall submit a list of providers/provider groups in dispute to a mutually agreed upon neutral expert in health care delivery systems for final and binding resolution. The only providers/provider groups that may be submitted for resolution by this process are those for which, since the list for the ~~2019-2021~~ insurance year was established, Benefit Level Two access has changed, or those that are intended to address specific problems caused by a

reduction in Benefit Level Two access.

- b. Absent agreement on a neutral expert, the parties shall select an arbitrator from a list of five (5) arbitrators supplied by the Bureau of Mediation Services. The parties shall flip a coin to determine who strikes first. One-half (1/2) of the fees and expenses of the neutral shall be paid by Minnesota Management and Budget and one-half (1/2) by the Exclusive Representatives. The parties shall select a neutral within five (5) working days after no agreement is reached, and a hearing shall be held within fourteen (14) working days of the selection of the neutral.
 - c. The decision of the neutral shall be issued within two (2) working days after the hearing.
5. **Coordination with Workers' Compensation.** When a manager has incurred an on-the-job injury or an on-the-job disability and has filed a claim for workers' compensation, medical costs connected with the injury or disability shall be paid by the manager's health plan, pursuant to M.S. 176.191, Subdivision 3.
6. **Health Promotion and Health Education.** Minnesota Management and Budget recognizes the value and importance of health promotion and health education programs. Such programs can assist managers and their dependents to maintain and enhance their health, and to make appropriate use of the health care system. To work toward these goals:
 - a. **Develop programs.**
 1. **Policy.** Minnesota Management and Budget will develop and implement health promotion, ~~and~~ health education programs, ~~and other programs mutually agreed upon with the Joint Labor Management Committee on Health Plans,~~ subject to the availability of resources. Each Appointing Authority will develop a health promotion and health education program consistent with the Minnesota Management and Budget policy. Upon request of any exclusive representative in an agency, the Appointing Authority shall jointly meet and confer with the exclusive representative(s) and may include other interested exclusive representatives. Agenda items shall include but are not limited to smoking cessation, weight loss, stress management, health education/self-care, and education on related benefits provided through the health plan administrators serving state managers.
 2. **Pilot Programs.** Minnesota Management and Budget may develop voluntary pilot programs to test the acceptability of various risk management programs, ~~programs that seek to control costs, programs that streamline the delivery of services, or that enhance service to members.~~ Incentives for participation in such programs may include ~~limited short term~~ improvements to the benefits outlined in this Chapter.

- b. **Health plan specification.** Minnesota Management and Budget will require health plans participating in the Group Insurance Program to develop and implement health promotion and health education programs for State managers and their dependents.
 - c. **Manager participation.** Minnesota Management and Budget will assist managers' participation in health promotion and health education programs. Health promotion and health education programs that have been endorsed by Minnesota Management and Budget will be considered to be non-assigned job-related training pursuant to Administrative Procedure 21. Approval for this training is at the discretion of the Appointing Authority and is contingent upon meeting staffing needs in the manager's absence and the availability of funds. Managers are eligible for release time, tuition reimbursement, or a pro rata combination of both. Managers may be reimbursed for up to one hundred percent (100%) of tuition or registration costs upon successful completion of the program. Managers may be granted release time, including the travel time, in lieu of reimbursement.
 - d. **Health Promotion Incentives.** The Joint Labor-Management Committee on Health Plans shall develop a program which provides incentives for managers who participate in a health promotion program. The health promotion program shall emphasize the adoption and maintenance of more healthy lifestyle behaviors and shall encourage wiser usage of the health care system.
7. **Post Retirement Health Care Benefit.** Managers who separate (other than termination or discharge) from State service and who, at the time of separation are insurance eligible and entitled to immediately receive an annuity under a State retirement program shall be entitled to a contribution of two hundred fifty dollars (\$250) to the Minnesota State Retirement System's (MSRS) Health Care Savings Plan. Employees who have a HCSP waiver on file shall receive a two hundred fifty dollars (\$250) cash payment. If the manager separates due to death, the two hundred fifty dollars (\$250) is paid in cash, not to the HCSP. A manager who becomes totally and permanently disabled, who receives a State disability benefit, and is eligible for a deferred annuity under a State retirement program is also eligible for the two hundred fifty dollars (\$250) contribution to the MSRS Health Care Savings Plan. Managers are eligible for this benefit only once.

8. **Temporary Plan Changes Due to a State or National Emergency.**

SEGIP and the unions recognize that certain natural disasters and other major emergencies may disrupt or seriously threaten to disrupt the State of Minnesota at a time when employees are especially needed to provide services. If the State or a federal government agency declares a state of emergency or otherwise invokes emergency authority by declaration, rules, regulations or similar official statements, the terms of the programs administered by SEGIP may be changed for the period of the declared emergency and for up to a 30 day run-out period.

These changes may include changes to programs administered by SEGIP including but not limited to, benefit design, enrollment and eligibility, billing, and administration as well as waiver of out-of-network restrictions, changes to out of pocket costs, extension of time frames for enrollment and billing, and other protocols reasonably required to provide Members with access to benefits.

These changes must be agreed to by both SEGIP and the Joint Labor Management Committee. Nothing in this provision prohibits SEGIP from making changes authorized or required under another authority including but not limited to a state or federal law, regulation, order, or rule without union agreement.

B. Manager And Family Dental Coverage.

1. **Coverage Options.** Eligible managers may select coverage under any one of the dental plans offered by Minnesota Management and Budget, including health maintenance organization plans, the State Dental Plan, or other dental plans.
2. **Coverage under the State Dental Plan.** The State Dental Plan will provide the following coverage:
 - a. **Copayments.** Effective January 1, ~~2019~~2022, the State Dental Plan will cover allowable charges for the following services subject to the copayments and coverage limits stated. Higher out-of-pocket costs apply to services obtained from dental care providers not in the State Dental Plan network. Services provided through the State Dental Plan are subject to the State Dental Plan's managed care procedures and principles, including standards of dental necessity and appropriate practice. The plan shall cover general cleaning two (2) times per plan year and special cleanings (root or deep cleaning) as prescribed by the dentist.

Service	In-Network	Out-of-Network
Diagnostic/Preventive	100%	50% after deductible
Fillings	80% after deductible	50% after deductible
Endodontics	80% after deductible	50% after deductible
Periodontics	80% after deductible	50% after deductible
Oral Surgery	80% after deductible	50% after deductible
Crowns	80% after deductible	50% after deductible
Implants	80% after deductible	50% after deductible
Prosthetics	80% after deductible	50% after deductible
Prosthetic Repairs	80% after deductible	50% after deductible
Orthodontics*	80% after deductible	50% after deductible

- b. **Deductible.** An annual deductible of fifty dollars (\$50) per person and one hundred fifty dollars (\$150) per family applies to State Dental Plan non- preventative services received from in-network providers. An annual deductible of one hundred twenty-five dollars (\$125) per person applies to State Dental Plan basic and special services received from out of network providers. The deductible must be satisfied before coverage begins.

- c. **Annual Maximums.** State Dental Plan coverage is subject to a two thousand dollar (\$2,000) annual maximum benefit payable (excluding orthodontia and preventative services) per person. "Annual" means per insurance year.
- d. **Orthodontia Lifetime Maximum.** Orthodontia benefits are subject to a three thousand dollars (\$3,000) lifetime maximum benefit.

C. **Income Protection Plan.**

1. **Basic Managerial Life, Accidental Death and Dismemberment (AD and D) Coverage, and Disability Insurance.** All managers eligible for a full or partial Employer Contribution, as described in Section 3 will be provided the following coverage in either Plan A or Plan B. Any premium paid by the State in excess of fifty thousand dollars (\$50,000) coverage is subject to a tax liability in accord with Internal Revenue Service regulations. A manager may decline coverage in excess of fifty thousand dollars (\$50,000) by filing a waiver in accord with Minnesota Management and Budget procedures. The basic life insurance policy will include an accelerated benefits agreement providing for payment of benefits prior to death if the insured has a terminal condition.

Managers select coverage under either Plan A or Plan B below. Both plans provide employer paid life and AD and D coverage. Plan A also includes employer paid disability coverage.

Plan A: Employer paid life and AD and D coverage equal to one and one-half (1 1/2) times annual salary and disability insurance with a one hundred and fifty (150) calendar day elimination period.

Managers may elect to purchase shorter elimination periods for disability insurance of thirty (30), sixty (60), ninety (90) or one hundred and twenty (120) days.

The disability benefit, after the elimination period, is sixty percent (60%) of a manager's salary to a maximum of seven thousand dollars (\$7,000)/month.

Plan B: Employer paid life and AD and D coverage equal to two (2) times annual salary.

Managers may elect to purchase disability insurance at the manager's own expense. Managers may elect to purchase shorter elimination periods of thirty (30), sixty (60), ninety (90), one hundred and twenty (120) or one hundred and fifty (150) days.

The disability benefit, after the elimination period, is sixty percent (60%) of a manager's salary to a maximum of seven thousand dollars (\$7,000)/month.

2. **Disability insurance elimination periods.** Elimination periods can be changed once a year. The Group Benefits Plan brochure for the Managers Income Protection Plan contains information on when changes require evidence of insurability.

3. **Extended Benefits.** A manager who becomes totally disabled before age seventy (70) shall be eligible for the extended benefit provisions of the life insurance policy until age seventy (70). Employees who were disabled prior to July 1, 1983 and who have continuously received benefits shall continue to receive such benefits under the terms of the policy in effect prior to July 1, 1983.

Section 7. Optional coverages.

A. **Life Coverage.**

1. **Manager.** A manager may purchase up to five hundred thousand dollars (\$500,000) additional life insurance, in increments established by Minnesota Management and Budget, subject to satisfactory evidence of insurability. Upon initial appointment to state service, a new manager may purchase up to two (2) times annual salary in optional employee life coverage by their initial effective date of coverage as defined in this Chapter, Section 5C without evidence of insurability. An individual may only be covered on one state sponsored life coverage policy. A retired employee who returns to state service with optional employee life coverage in place or who has already received a paid-up benefit is not eligible for optional employee life coverage. A manager who becomes eligible for insurance may purchase up to two (2) times annual salary in optional employee life coverage without evidence of insurability within thirty (30) days of the initial effective date as defined in this Chapter.
2. **Spouse.** A manager may purchase up to five hundred thousand dollars (\$500,000) life insurance coverage for their spouse, in increments established by Minnesota Management and Budget, subject to satisfactory evidence of insurability. An individual may only be covered on one state sponsored life coverage policy. A retired employee who returns to state service with optional employee life coverage in place or who has already received a paid-up benefit is not eligible for optional employee life coverage. Upon initial appointment to state service, a new manager may purchase either five thousand dollars (\$5,000) or ten thousand dollars (\$10,000) in optional spouse life coverage by their initial effective date of coverage as defined in this Chapter, Section 5C without evidence of insurability. A manager who becomes eligible for insurance may purchase either five thousand dollars (\$5,000) or ten thousand dollars (\$10,000) in optional spouse coverage without evidence of insurability within thirty (30) days of the initial effective date as defined in this Chapter.
3. **Children/Grandchildren.** A manager may purchase life insurance in the amount of ten thousand dollars (\$10,000) as a package for all eligible children/grandchildren (as defined in Section 2C2 and 2C3 of this Chapter). An individual may only be covered on one policy, by one employee participating in the State Employee Group Insurance Program. For a new manager, child/grandchild coverage requires evidence of insurability if application is made after the initial effective date of coverage as defined in this Chapter, Section 5C. A manager who becomes eligible for insurance may purchase child/grandchild coverage without evidence of insurability if application is made within thirty (30) days of the initial effective date as defined in this Chapter. Child/grandchild coverage commences immediately from the moment of live birth up to age twenty-six (26).

4. **Accelerated Life.** The additional manager, spouse and child life insurance policies will include an accelerated benefits agreement providing for payment of benefits prior to death if the insured has a terminal condition.
5. **Waiver of Premium.** In the event a manager becomes totally disabled before age seventy (70), there shall be a waiver of premium for all life insurance coverage that the manager had at the time of disability.
6. **Paid Up Life Policy.** At age sixty-five (65) or the date of retirement, a manager who has carried optional life insurance for the five (5) consecutive years immediately preceding the date of the manager's retirement or age sixty-five (65), whichever is later, shall receive a post-retirement paid-up life insurance policy in an amount equal to fifteen percent (15%) of the smallest amount of optional manager life insurance in force during that five (5) year period. The manager's post-retirement death benefit shall be effective as of the date of the manager's retirement or the manager age sixty-five (65), whichever is later. Managers who retire prior to age sixty-five (65) must be immediately eligible to receive a state retirement annuity and must continue their optional manager life insurance to age sixty-five (65) in order to remain eligible for the manager post-retirement death benefit.

A manager who has carried optional spouse life insurance for the five (5) consecutive years immediately preceding the date of the manager's retirement or spouse age sixty-five (65), whichever is later, shall receive a post-retirement paid-up life insurance policy in an amount equal to fifteen percent (15%) of the smallest amount of optional spouse life insurance in force during that five (5) year period. The spouse post-retirement death benefit shall be effective as of the date of the manager's retirement or spouse age sixty-five (65), whichever is later. The manager must continue the full amount of optional spouse life insurance to the date of the manager's retirement or spouse age sixty-five (65), whichever is later, in order to remain eligible for the spouse post-retirement death benefit.

Each policy remains separate and distinct, and amounts may not be combined for the purpose of increasing the amount of a single policy.

B. **Disability Coverage.**

1. **Short-term Disability Coverage.** An employee who carries short-term disability and is promoted to a managerial position may continue the coverage in force at that time. The manager may decrease or cancel the coverage, but may not increase the coverage.
2. **Long-term Disability Coverage.** An employee who is promoted to a managerial position is eligible for long-term disability coverage only through the Income Protection Plan.

- C. **Accidental Death and Dismemberment Coverage.** A manager may purchase accidental death and dismemberment coverage that provides principal sum benefits in amounts ranging from five thousand dollars (\$5,000) to two hundred thousand dollars (\$200,000).

Payment is made only for accidental bodily injury or death and may vary, depending upon the extent of dismemberment. A manager may also purchase from five thousand dollars (\$5,000) to twenty-five thousand dollars (\$25,000) in coverage for their spouse, but not in excess of the amount carried by the manager.

- D. **Vision Coverage.** A fully employee-paid vision benefit will be available beginning January 1, 2021 subject to agreement by the subcommittee of the Joint Labor Management Insurance Committee to the benefit set determined through the state's Request for Proposal (RFP) process.
- E. **Continuation of Optional Coverages During Unpaid Leave or Layoff.** A manager who takes an unpaid leave of absence or who is laid off may discontinue premium payments on short-term disability and optional employee, spouse and child life policies during the period of leave or layoff. If the manager returns within one (1) year, the manager shall be permitted to pick up all optional coverages held prior to the leave or layoff. For purposes of reinstating such optional coverages, the following limitations shall be applicable.

For the first twenty-four (24) months of long-term disability coverage after such a period of leave or layoff during which long-term disability coverage was discontinued, any such disability coverage shall exclude coverage for certain pre-existing conditions. For disability purposes, a pre-existing condition is defined as any disability which is caused by, or results from, any injury, sickness or pregnancy which occurred, was diagnosed, or for which medical care was received during the period of leave or layoff. In addition, any pre-existing condition limitations that would have been in effect under the policy but for the discontinuance of coverage shall continue to apply as provided in the policy.

The limitations set forth above do not apply to Family and Medical Leave Act (FMLA) leaves.

APPENDIX C – EXPENSE REIMBURSEMENT (INCORPORATED FROM STATE MANAGERIAL PLAN)

General. The Appointing Authority may authorize payment of travel and other expenses and reimbursement of special expenses for managers in accord with the provisions of this Chapter, Chapter 8, and Administrative Procedure 4.4 for the effective conduct of the State's business. Such authorization must be granted prior to incurring the actual expenses. Administrative Procedure 4.4 Section E provides an exception which allows an agency to submit a request for approval after special expenses have occurred.

Privately-Owned Vehicles and Aircraft. A manager shall be reimbursed for the use of privately-owned vehicles and aircraft under the situations and at the rates specified below. In all cases, mileage must be on the most direct route according to Department of Transportation records.

<u>Situation</u>	<u>Rate Per Mile</u>
Use of personal automobile when a State-owned vehicle is not available.	Federal IRS mileage reimbursement rate
Use of personal automobile when a State-owned vehicle is available and declined by the manager.	Federal IRS mileage reimbursement rate less \$0.07
Use of personal van or van-type vehicle specially equipped with a ramp, lift, or other level-changing device designed to provide wheelchair access.	Federal IRS mileage reimbursement rate plus \$0.09
Use of personal aircraft provided that the manager can demonstrate adequate liability coverage under the requirements of M.S. 360.59, subdivision 10, and the Appointing Authority has granted approval for the use of the aircraft.	Federal IRS mileage reimbursement rate

In addition to mileage, actual parking fees and toll charges shall be reimbursed. At the sole discretion of the Appointing Authority, managers who normally are not required to travel on state business may be reimbursed for parking at their work location on an incidental basis when they are required to use their personal or a state vehicle for state business and no free parking is provided.

Managers shall not receive mileage reimbursement for commuting between a permanent work location and their home. For each position, the Appointing Authority may designate no more than two (2) permanent work locations, which must be within thirty-five (35) miles of each other. For purposes of expense reimbursement for trips to temporary work locations, the Appointing Authority shall designate one (1) of the two (2) permanent work locations as the primary location. The Appointing Authority must provide advance written notice of the two (2) locations and the primary location to anyone being appointed to such a position.

When a manager does not report to the permanent work location during the day or makes business calls before or after reporting to the permanent work location, the allowable mileage is: (1) the lesser of the mileage from the manager's residence to the first stop or from their permanent work location to the first stop, (2) all mileage between points visited on State business during the day, and (3) the lesser of the mileage from the last stop to the manager's residence or from the last stop to their permanent work location.

Managers accepting interchange assignments, as defined in Administrative Procedure 1.1, are not eligible for mileage reimbursement for the trip between their home and the interchange assignment.

Other Travel Expenses. Upon approval of the Appointing Authority, managers in travel status may be reimbursed for expenses described below in the amounts actually incurred not to exceed any maximum amounts specified below.

Where anticipated expenses total at least fifty dollars (\$50.00), the Appointing Authority shall advance the manager the amount of the anticipated expenses upon the manager's request made a reasonable period of time prior to the travel date. If the amount advanced exceeds the actual expenses, the manager shall return the excess within two (2) weeks of return from travel. The Appointing Authority may issue the manager a state-owned credit card in lieu of a travel advance.

Reimbursable expenses may include, but are not limited to, the following:

Commercial transportation (air, taxi, rental car, etc.) provided that no air transportation shall be by first class unless authorized by an Appointing Authority; and that reimbursement for travel which includes more than one destination visited for State purposes and non-State purposes be in an amount equal to the cost of the air fare only to those destinations visited for State purposes.

Meals including tax and a reasonable gratuity. Managers shall be reimbursed for meals under the following conditions:

Breakfast. Breakfast reimbursements may be claimed if the manager leaves their temporary or permanent work location before 6:00 a.m. or is away from home overnight.

Lunch. Lunch reimbursements may be claimed only if the manager is away from home overnight.

Dinner. Dinner reimbursements may be claimed if the manager cannot return home until after 7:00 p.m. or is away from home overnight.

Reimbursement Amount. Except for high cost localities as identified by the Internal Revenue Service (IRS), the maximum reimbursement for meals including tax and gratuity shall be:

Breakfast	\$9.00
Lunch	\$11.00
Dinner	\$16.00

For high cost localities as identified by the Internal Revenue Service (IRS), the maximum reimbursement shall be:

Breakfast	\$11.00
Lunch	\$13.00
Dinner	\$20.00

The higher meal reimbursement rates also include any location outside the forty-eight (48) contiguous United States.

Managers who are in travel status for two (2) or more consecutive meals shall be reimbursed for the actual costs of the meals including tax and a reasonable gratuity, up to the combined maximum amount for the reimbursable meals.

Hotel and motel accommodations provided that managers exercise good judgment in incurring lodging costs and that charges are reasonable and consistent with the facilities available.

Reasonable costs of dry cleaning and laundry services, not to exceed sixteen dollars (\$16.00) each week after the first week a manager is in continued travel status.

Parking fees and toll charges.

Receipts. The Appointing Authority may require receipts for any reimbursement requested by a manager under the provisions of this or any other chapter in this Plan.

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